

USAID/ETHIOPIA



INTEGRATED STRATEGIC PLAN FY 2001 – 2006

November 9, 2000



TABLE OF CONTENTS

1.	OVERALL ASSISTANCE ENVIRONMENT.....	1
1.1.	SETTING THE SCENE.....	1
1.2.	OVERVIEW AND THEME: <u>CARPE DIEM</u> OR SEIZE THE DAY	4
1.3.	THE HISTORICAL, GEOGRAPHICAL, SOCIAL AND CULTURAL ENVIRONMENT.....	8
1.4.	MACROECONOMIC PARAMETERS.....	11
1.5.	U.S. GEOPOLITICAL INTERESTS IN THE HORN OF AFRICA	13
1.6.	STABILIZING AND DESTABILIZING FACTORS IN ETHIOPIA AND THE HORN.....	14
1.7.	RELATIONSHIP OF ISP TO OTHER RECENT PLANS.....	15
2.	STRATEGIC CHOICES FOR THE INTEGRATED STRATEGIC PLAN	17
2.1.	CHOICE OF USAID GOAL AREAS AND STRATEGIC OBJECTIVES.....	17
2.2.	SUMMARY OF CROSS-CUTTING THEMES	23
2.3.	CONVERGENCE WITH MISSION, AGENCY, GHAI AND MPP GOALS AND OBJECTIVES	25
2.4.	OTHER DONOR ASSISTANCE	29
2.5.	SUMMARY OF ANALYSES	30
3.	IMPROVED FAMILY HEALTH STRATEGIC OBJECTIVE	32
3.1.	DEVELOPMENT CHALLENGE.....	32
3.2.	GFDRE RESPONSE TO CHALLENGE	33
3.3.	PRIOR USAID HEALTH EXPERIENCE IN ETHIOPIA	34
3.4.	ESHE-II SO RESULTS FRAMEWORK AND KEY PARAMETERS	35
3.5.	LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES	43
3.6.	OTHER DEVELOPMENT PARTNERS AND COORDINATION MECHANISMS.....	44
4.	BASIC EDUCATION STRATEGIC OBJECTIVE	47
4.1.	DEVELOPMENT CHALLENGE.....	47
4.2.	GFDRE RESPONSE TO THE CHALLENGE	47
4.3.	PRIOR USAID ASSISTANCE TO BASIC EDUCATION IN ETHIOPIA	48
4.4.	BE SO RESULTS FRAMEWORK AND KEY PARAMETERS	48
4.5.	LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES	57
4.6.	OTHER DEVELOPMENT PARTNERS	58
5.	RURAL HOUSEHOLD PRODUCTION AND PRODUCTIVITY INCREASED STRATEGIC OBJECTIVE.....	60
5.1.	DEVELOPMENT CHALLENGE.....	60
5.2.	GFDRE RESPONSE TO CHALLENGE	60
5.3.	PRIOR USAID EXPERIENCE IN RURAL HOUSEHOLD PRODUCTION AND PRODUCTIVITY IN ETHIOPIA	61
5.4.	RHPP RESULTS FRAMEWORK AND KEY PARAMETERS	62
5.5.	LINKS WITH CROSS-CUTTING THEMES AND OPPORTUNITIES	71
5.6.	OTHER DEVELOPMENT PARTNERS	73
6.	MITIGATE THE EFFECTS OF DISASTER STRATEGIC OBJECTIVE.....	74
6.1.	DEVELOPMENT CHALLENGE.....	74
6.2.	GFDRE RESPONSE TO THE CHALLENGE	75
6.3.	PRIOR USAID ASSISTANCE TO HUMANITARIAN AND MITIGATION ACTIVITIES	76
6.4.	MED RESULTS FRAMEWORK AND KEY PARAMETERS	76
6.5.	LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES	85
6.6.	OTHER DEVELOPMENT PARTNERS	86

7.	DEMOCRACY AND GOVERNANCE STRATEGIC OBJECTIVE.....	88
7.1.	THE DEVELOPMENT CHALLENGE.....	88
7.2.	GFDRE RESPONSE TO CHALLENGE	90
7.3.	PRIOR USAID ASSISTANCE IN DG IN ETHIOPIA	92
7.4.	DG SO RESULTS FRAMEWORK AND KEY PARAMETERS	93
7.5.	LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES	101
7.6.	OTHER DEVELOPMENT PARTNERS	101
8.	SOUTHERN TIER INITIATIVE SPECIAL OBJECTIVE.....	103
8.1.	THE DEVELOPMENT CHALLENGE.....	103
8.2.	PRIOR RELATED USAID ASSISTANCE IN ETHIOPIA	104
8.3.	THE SOUTHERN TIER INITIATIVE RESULTS FRAMEWORK.....	106
8.4.	OTHER DEVELOPMENT PARTNERS	112
8.5.	PROGRAM MANAGEMENT/CO-ORDINATION WITH OTHER DONOR PROGRAMS	112
9.	RESOURCE AND PROGRAM MANAGEMENT REQUIREMENTS (For internal distribution only)	

ANNEXES

1	Statistics on Ethiopia
2	Analyses and Consultations with Beneficiaries for each SO
2.1	Analyses for each SO
2.2	Consultations for each SO
2.3	Bibliographies
3	Cross-Cutting Themes
3.1	Nutrition
3.2	Capacity Building
3.3	HIV/AIDS
3.4	Integrating Title II
4	Conflict Vulnerability Assessment
5	Environmental Assessment
6	Gender Analysis
7	Parameters Cables
8	Brooke Amendment Plan and Waiver
9	Addendum to the ISP (dated December 2000)

1. OVERALL ASSISTANCE ENVIRONMENT

1.1. SETTING THE SCENE.

The Four Horsemen of the Apocalypse, famine, war, pestilence, and death, are not religious abstractions in Ethiopia. They are frequent – if unwelcome – visitors. During the past 38 years, Ethiopia has endured three wars (including a 17 year civil war), and three major famines or food emergencies. In addition to traditional diseases, a conservative estimate is that 2.6 million Ethiopians are HIV positive, the third highest number in Africa. Ethiopia has some of the worst maternal and child health indicators in the world. Too many children and mothers are needlessly dying. The Horsemen are active indeed.

Ethiopia is an immense country with a population estimated at over 64 million -- the second most populous nation in Africa. It is also one of the world's poorest nations. The humanitarian and development challenge is daunting. Per capita income is \$100, one of the lowest anywhere. Agricultural production today is less than it was 25 years ago. Population growth is high, and exceeds the growth in agricultural production, undermining economic progress. Poor agricultural practices and deforestation continue to degrade the land at alarming rates. Child malnutrition and stunting rates are perhaps the world's highest. Infant mortality is high, literacy is low.

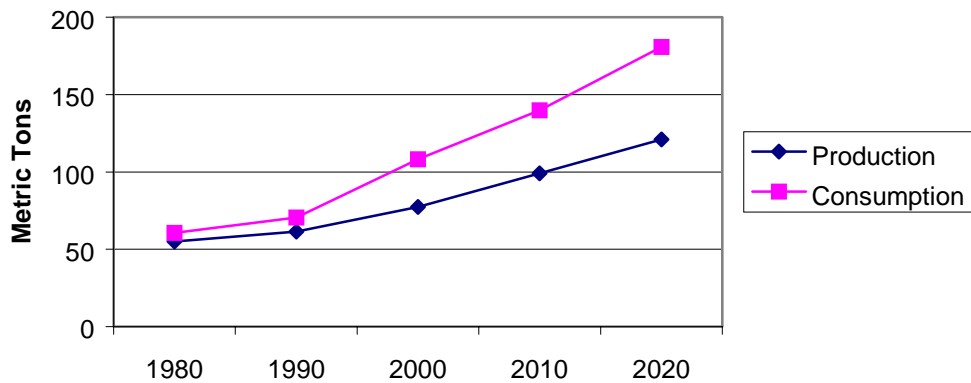
Ethiopia illustrates the global development challenge. Child survival, food security, basic education, family planning and HIV/AIDS cannot be addressed without massive investment in Ethiopia's development. Given its chronic emergency situation, Ethiopia exemplifies the need to move along and work through the relief to development continuum.

1.1.1. The Trends

If unchecked, the trends in certain key areas over the 2001-2006 strategy period are ominous:

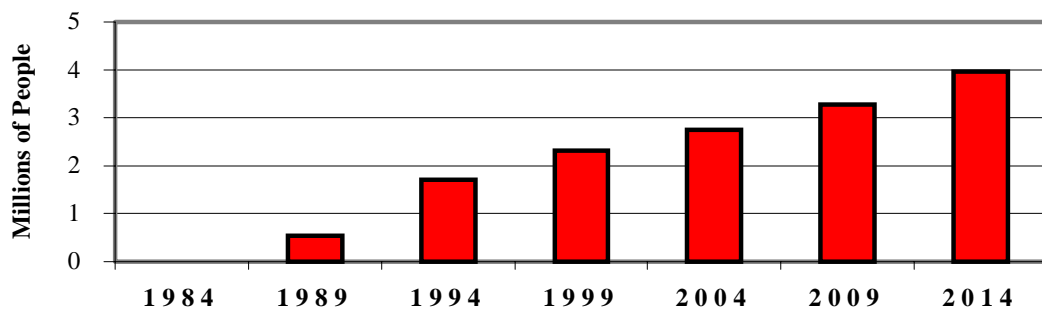
- Population will grow from an estimated 64 million in 2000 to 83 million by 2006 notwithstanding the impact of HIV/AIDS.
- Population growth of 2.76% per annum exceeds the growth in agricultural production of 2.4% per annum and further aggravates the structural food deficit. Thus the chronic food insecure population is growing exponentially, with a proportionate increase in malnutrition.
- Estimates in 2000 show cereal consumption of 108 MT and cereal production of 77 MT. By 2010, this deficit is projected to grow to 181 MT consumption and 121 MT production, as shown in the trends chart below.

Estimated and Projected Cereal Production and Consumption



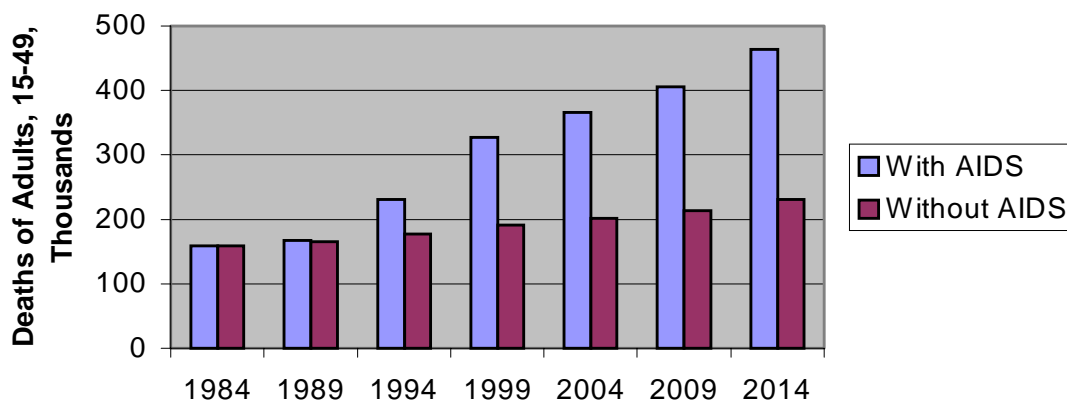
- The HIV positive population of 2.31 million in 1999 could reach nearly 4 million by 2014 (see bar chart below), with a corresponding increase in active AIDS cases, overwhelming the health care system.

Estimated and Projected Number of People Infected with HIV



- The deaths from the AIDS epidemic for adults in the age group 15 to 49 in 1999 was 328,000, compared to 191,000 had there been no AIDS epidemic (See bar chart below). By 2014, the number of deaths is projected to be 463,000, more than double the without AIDS projections.

Projected Deaths from AIDS Epidemic



1.1.2. The Present: Time to Act

The starkness of the setting is the clarion call for action. The GFDRE is vitally interested in addressing food security, creating an enabling environment that is conducive to change. The time is right for international institutions, and donors such as the United States, to make a commitment to address humanitarian and developmental issues, and to reverse the current trends which so lock Ethiopia into a permanent food security crisis.

- The 1999/2000-food emergency has been handled successfully by the GFRDE and international community. While disaster was averted, the causes remain unaddressed. Fundamental changes in food security policy are needed if the cycle of recurrent famine is to be broken.
- The conflict with Eritrea is nearly over. Peace treaty negotiations are underway. The GFDRE is moving beyond conflict, and has pledged early demobilization. Peace and political stability will allow the GFDRE to focus on rebuilding its economy.
- The GFDRE is mobilizing internal and external resources to revive the economic growth and development achieved prior to the conflict. The UN is in the final stage of an overall food security strategy for the Horn including Ethiopia. The European commission (EC) is preparing its food security strategy. The GFDRE is working on its own food security strategy, which, with the help of donors will be the basis of its Poverty Reduction Strategy Paper (PRSP). World Bank programs and IMF assistance to Ethiopia, including balance of payments support, are resuming on a fast track. Other donors are resuming development assistance. The PRSP and restoration of IMF support will trigger debt relief negotiations.
- The GFDRE has, over the past year, awoken to the threat that HIV/AIDS poses to the nation. With a rapidly increasing HIV-positive population, the GFDRE recognizes

the importance of moving forward, with USAID and other donors, toward the development and implementation of a National AIDS strategy.

- The Prime Minister has publicly and repeatedly stressed the desire to get back to normal and permit the GFDRE to focus efforts on development and stability in the region.

1.2. OVERVIEW AND THEME: CARPE DIEM OR SEIZE THE DAY

We have in Ethiopia been endeavoring to effect the rapid political and socioeconomic transformation of our country. In the past nine years, an important process of democratizing the political life of the country is underway. A far-reaching economic reform program is also being implemented. Although we have held for the second time successful national multiparty elections in May of this year, and while we have registered solid economic growth in the 1990s, we have been faced with a setback in the last three years due to the conflict with Eritrea, a conflict not of our making, and a drought-induced emergency which threatened the lives of vulnerable sectors of our society. Now with our sovereignty restored, we believe the war to be over. And with the generous assistance of the international community, notably the United States, the drought-induced emergency is being successfully tackled. We are, therefore, getting ourselves to work. Now we have to make up for lost time and regain the momentum of development.¹

1.2.1. Regaining the Momentum of Development in Ethiopia

USAID/Ethiopia's Integrated Strategic Plan (ISP) theme for the planning period FY 2001 to FY 2006 is to "seize the day" echoing the Prime Minister's charge to "regain the momentum of development."

Prior to the recent conflict with Eritrea, the GFDRE had an impressive track record of commitment to development. Having demobilized troops following the collapse of the Mengistu regime in 1991, Ethiopia's defense expenditures dropped to 3% of Gross Domestic Product (GDP) and 8% of government expenditures, one of the lowest in Africa. A federalist constitution was enacted in 1995. Sector development programs (SDPs) began to rebuild transport, health and education sectors neglected under the previous regimes. Donor economic assistance increased to nearly 3% of GDP, and off budget assistance significantly increased.

¹ Prime Minister Meles, Speech at the National Press Club, Washington on September 20, 2000

In 1994, following a referendum, Eritrea seceded from the GFDRE, leaving Ethiopia a land-locked country. While close economic ties to Eritrea continued, issues of border demarcation remained unresolved, leading eventually to disastrous results. The border conflict with Eritrea erupted in open hostilities in May 1998, Ethiopia's defense expenditures climbed to 30% of government expenditures. In response to the outbreak of hostilities, most donors reduced or eliminated development assistance, particularly macroeconomic assistance.

Drought and a critical food emergency in 1999 and 2000 further strained Ethiopia's development efforts. Ethiopia well remembered when disastrous mismanagement of the 1984-1985 drought left an estimated 4 million people dead from starvation and disease. In 1999-2000, however, the GFDRE and its donor partners were able to anticipate the impending drought using early warning systems supported by USAID. Food aid arrived in time to avert a repeat of the 1984-1985 catastrophe. USAID was the leading contributor to the relief efforts (as it had been in the 1980s), along with the United Nations World Food Program (WFP) and European Union (EU).

In 1995, the theme for the first USAID/Ethiopia country strategic plan was "Back to the Future," reflecting the need to bring the country back up to where it was in 1974, before the Mengistu regime. Under that plan, USAID/Ethiopia had notable success in several sectors, particularly health and education. The upheaval caused by the drought and the border conflict resulted in significant setback to that progress.

USAID/Ethiopia proposes an Integrated Strategic Plan (ISP) for the period 2001-2006 that will "seize the day" to work with the GFDRE and other partners to regain the momentum of development and thereby attack **chronic food insecurity**. While neither the natural nor the man-made disasters have yet run their course, there are many positive signs of a return to normalcy.

To address the long-term goal to "Reduce Chronic Food Insecurity in Ethiopia," USAID must systematically support progress toward sustainable development, and at the same time mitigate the effects of disaster. The distinctions between emergency, relief, and development activities are not always that sharp in Ethiopia. We need to use our assistance tools with flexibility. The 1999-2000 food emergency will not end immediately, but will gradually subside over the next 2-3 years. Thus, continued emergency food aid will clearly be needed. Apart from emergency assistance, a large portion of anticipated resources are in the form of development food aid. The Mission will integrate food assistance activities throughout the strategy to build the bridge between relief and development and directly address the issues of chronic malnutrition. The integration of food aid into our strategic objectives is an important crosscutting theme of the strategy.

The timing and objectives of the current Integrated Strategic Plan (ISP for FY 2001 to 2006) will provide a strong foundation of support for the GFDRE's Poverty Reduction Strategic Plan (to be finalized in 2001). For the U.S. to remain a leading partner, our

commitment must be strong and immediate, articulated by a clear vision of how and why our assistance can make a difference.

USAID proposes an ISP with three resource scenarios that relate to the political circumstances. The middle scenario represents the current situation, e.g. steady progress towards peace with continuation of current levels based on the 2001 CP, adjusted as per Bureau guidance. This intermediate level of resources would enable USAID to achieve modest achievements against some of the issues facing Ethiopia.

However this intermediate scenario is a straightjacket, based on our account structure which does not enable USAID to take advantage of the opportunities to “Seize the Day” for real impact. USAID hopes for positive consideration of its enhanced resource package, which would include additional resources. Key components of the enhanced package are as follows.

- **Population.** Nothing will help in Ethiopia without an expanded emphasis on family planning. We need an additional \$3 million in project assistance over the life of the ISP. Ethiopia currently receives less population funding than countries, like Malawi, with a small fraction of Ethiopia’s population.
- **Environment.** Ethiopia needs to buttress its efforts in watershed management with a new emphasis on reforestation. This is key to increased food security, which is the bedrock of positive change in Ethiopia.
- **HIV/AIDS.** With more HIV/AIDS patients than all African countries but two, Ethiopia needs additional resources to contain the epidemic and provide support to those affected by it.
- **D/G.** It is sometimes necessary, in the D/G context, to assess where one wants a society to be, rather than to consider where it is. Additional funding is required if USAID is to play a serious advocacy role in civil society, and strengthen the NGO sector.

USAID, along with the GFDRE and other partners have an important window of opportunity to muster the commitment and resources necessary to “Seize the Day” and attack chronic food insecurity. It is instructive to reflect upon what happens if we are not able to reverse existing trends and the status quo. But we know the answer to that question all too well. Those perennial unwelcome quests, the outriders of the apocalypse, are never far away in Ethiopia – they are just over the horizon.

1.2.2. Overview of the ISP document

The ISP begins with a description of the overall assistance environment, supported by a review of the challenges facing the GFDRE. This section addresses the macro-economic climate, the political situation (both internal and external) and current socio-economic challenges.

The ISP next addresses the rationale for the choice of SOs. USAID/Ethiopia will continue its successful work in the sectors of education, health, agriculture and democracy and governance. The food and humanitarian assistance activities reflect a drought recovery emphasis under a new SO to *mitigate the effect of disasters*, both natural and man-made. Greater integration of development programs with Title II food aid partners is planned. A new Special Objective (SPO) will address critical problems facing pastoralists in the southern tier of Ethiopia (along the borders of Somalia and Kenya).

The ISP describes each of these objectives in detail. A result framework for each objective, expected results for selected indicators, and illustrative activities give a clear idea of the strategic planning in each sector. Describing the role of partners such as the GFDRE, non-governmental organizations (NGOs), and other donors, provides context for USAID activities.

The following section describes four themes crosscutting throughout the strategy:

- nutrition,
- human and institutional capacity development,
- HIV/AIDS, and
- programming Title II resources

The fluid situation in Ethiopia and the Horn of Africa requires the consideration of a number of alternative scenarios, taking into account the evolving political and socio-economic situation, and possible changes in the availability of resources. Each SO considered four scenarios and their effect on the activities of the SO. These are a **best-case scenario** (quick resolution of issues and resumption of normal relations with Eritrea), a **most likely scenario** (steady progress toward peace), a **worse case scenario** (resumption of hostilities) and a **protracted stalemate scenario** that may have programming implications as well as diminish USG support. These are reflected in three funding alternatives.

The ISP describes the resources needed to achieve the strategic objectives, and make progress toward reducing chronic food insecurity. As this is an integrated plan, the range of resources is impressive, making the USAID/Ethiopia program the second largest in sub-Saharan Africa. The arguments for maintaining this level and increasing it are compelling. Funding, however, will not be enough. USAID staffing levels must be maintained in order to carry out the plan. More importantly, leadership in Washington must share the vision outlined in the ISP. USAID can help the government and people of Ethiopia get development progress back on track. A clearly defined vision, active leadership and close coordination with partners will make the difference.

1.3. THE HISTORICAL, GEOGRAPHICAL, SOCIAL AND CULTURAL ENVIRONMENT

1.3.1. History

Ethiopia is sub-Saharan Africa's oldest state. Its dynasty claims descent from Menelik I, traditionally believed to be the son of the Queen of Sheba and King Solomon. Modern Ethiopia is a consolidation of smaller kingdoms that owed feudal allegiance to the Emperor. A melting pot of ancient Middle Eastern and African cultures is evident in the religious, ethnic and language composition of its Semitic, Cushitic, Omotic and Nilotic peoples.

Hamitic people migrated to Ethiopia from Asia Minor in prehistoric times. Semitic traders from Arabia penetrated the region in the 7th century BC. Its Red Sea ports were important to the Roman and Byzantine Empires. Coptic Christianity was brought to the region in AD 341, a variant of which became Ethiopia's state religion. Ancient Ethiopia reached its peak in the 5th century, and was subsequently isolated by the rise of Islam, and weakened by feudal wars.

Modern Ethiopia was established by Emperor Menelik II, who routed an Italian invasion in 1896, and expanded his empire, by conquest. The political turmoil that followed Menelik's death brought his daughter to the throne in 1917, with his cousin, Teferi Makonnen, as regent and heir apparent. When the empress died in 1930, Teferi was crowned Emperor Haile Selassie I.

Haile Selassie, called the "Lion of Judah," outlawed slavery and tried to centralize his scattered realm. In 1931 he created a constitution, revised in 1955, that called for a Parliament with an appointed senate and an elected chamber of deputies, and a system of courts. But basic power remained firmly vested in the emperor and the traditional ruling class.

Italy invaded Ethiopia on Oct. 3, 1935, forcing Haile Selassie into exile in the following year. Ethiopia was sub-divided, and annexed to the Italian colony of Eritrea, and to Italian Somaliland. In 1941, British troops defeated the Italians, and Haile Selassie returned to Addis Ababa. In 1952, Eritrea was incorporated into Ethiopia.

The slow pace of development and political liberalization led to increasing discontent. On Sept. 12, 1974, a collective military dictatorship called the Provisional Military Administrative Council deposed Haile Selassie. The Derg, as it was commonly known, suspended the constitution and proclaimed a socialist state. U.S. assistance stopped, and Cuban and Soviet aid began. Lt. Col. Mengistu Haile Mariam became head of state in 1977. During his regime Ethiopia fought against Eritrean secessionists and Somali rebels, and the government brutally repressed its own people in a campaign called the "red terror."

The Ethiopian People's Revolutionary Democratic Front seized the capital in 1991, while an allied separatist guerrilla organization, the Eritrean People's Liberation Front, took control of the province of Eritrea. The two groups agreed that Eritrea would have an internationally supervised referendum on independence. This election took place in April 1993 with almost unanimous support for Eritrean independence. Ethiopia accepted the results, and recognized Eritrea as an independent state within a few days.

Following Eritrea's independence, a number of key issues remained unresolved, leading to increasing tensions between the two countries. Issues included the use of international currency in trade relations, import and export regulations, and the exact demarcation of their borders. In May 1998 Eritrea initiated border clashes that quickly developed into a full-scale war leaving tens of thousands dead and destroying both countries' struggling economies. On June 18, 2000, after a concerted international effort, Eritrea and Ethiopia signed a Cessation of Hostilities Agreement. In September, the UN Security Council formally agreed to provide 4,200 UN peacekeepers to patrol the 25-kilometer buffer zone, laying the groundwork for a Peace Agreement to be signed.

1.3.2. Geography

Ethiopia is the largest country in the Horn of Africa (not counting Sudan) bordered on the west by Sudan, the east by Somalia and Djibouti, the south by Kenya, and the northeast by Eritrea (see map below). Since Eritrea's independence in 1993, Ethiopia has been land-locked. Its main port of access is currently Djibouti, which is linked by rail and road to Addis.²

Ethiopia falls into four main geographic regions from west to east—the Ethiopian Plateau, the Great Rift Valley, the Somali Plateau, and the Ogaden Plateau. The Ethiopian Plateau, which is fringed in the west by the Sudan lowlands (made up of savanna and forests), includes more than half the country. It is generally 5,000 to 6,000 ft high but reaches much loftier heights, including Ras Dashen, the highest point in Ethiopia and the fourth highest mountain in Africa. The plateau slopes gently from east to west and is cut by numerous deep valleys. The Blue Nile River flows through the center of the plateau from Lake Tana, Ethiopia's largest lake.

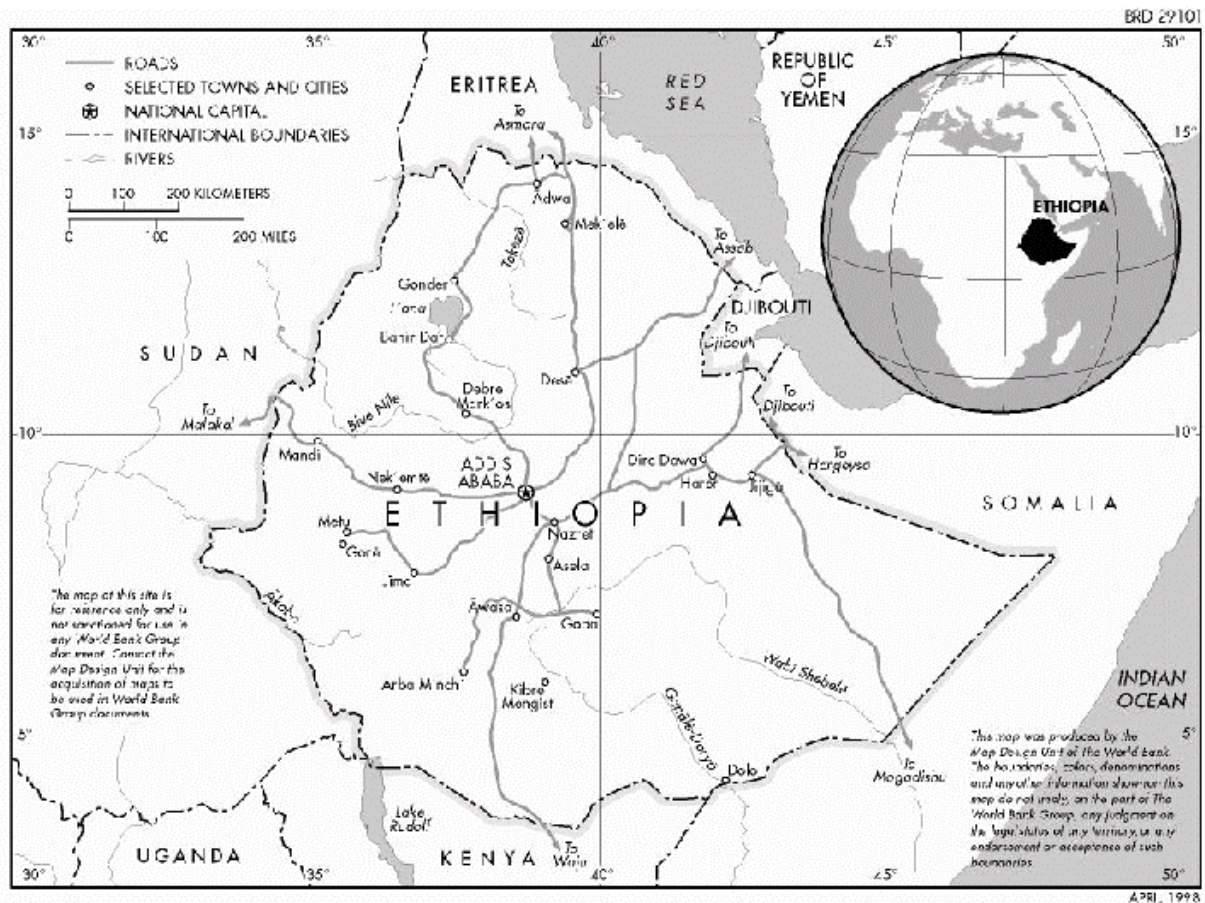
The Great Rift Valley traverses the country from northeast to southwest, containing several large lakes in the south and the Danakil Desert in the north. At 380 feet below sea level, the hot and forbidding Danakil depression is the lowest point in Africa.

The Somali Plateau is lower than the Ethiopian Plateau, except in the Mendebo mountains where it attains heights of more than 14,000 feet. The Awash, Ethiopia's only navigable river, drains the central part of the plateau.

² Prior to the outbreak of hostilities with Eritrea, the vast majority of Ethiopian imports and exports moved through Assab.

The Ogaden Plateau ranges from 1,500–3,000 feet high, and covers the entire southeastern section of the country. Although mostly desert, it includes the Wabe Shebele, Genale (Jubba), and Dawa rivers.

The Blue Nile supplies 85% of the water reaching Lake Nassar in northern Sudan and Egypt. Hence, Ethiopia has been called the rain basket of Africa. However, rainfall is uneven throughout this country and droughts are common.



1.3.3. People

Ethiopia's population is mainly rural, with most living in highlands above 5,900 feet. As of 1994, an estimated 51% of the population in Ethiopia was Ethiopian Orthodox and 33% were Muslim, and about 10% were Protestant and others, 6%. There are a number of distinct ethnic groups in Ethiopia, speaking over 70 different languages. The Amhara and Tigrean, who together make up about 33% of the people, live mostly in the central and northern Ethiopian Plateau. They are Christian and hold most of the higher positions in the government. The Oromo, who make up about 40% of the country's population, live in southern Ethiopia and are predominantly Muslim. The pastoral Somali, who are also Muslim, live in eastern and southeastern Ethiopia. The last of the Falasha Jews were taken to Israel in 1999.

Amharic is the country's official language, but over 70 other languages are spoken. A substantial number of Ethiopians speak English, which is commonly taught in school.

1.4. MACROECONOMIC PARAMETERS

1.4.1. Economy

Ethiopia is an overwhelmingly agricultural country, with farm products accounting for over half of the country's gross domestic product and 90% of its exports (mainly coffee). The great majority of the population is engaged in subsistence farming. Chief farm products are coffee, teff, sorghum, barley, wheat, corn, plantains, peas, potatoes, oilseeds, cotton, and sugarcane. Large numbers of cattle, sheep, and goats are raised. Degraded lands, poor cultivation practices, and frequent droughts have left Ethiopia chronically unable to feed its population. Even in a year of average production it is estimated that 4.6 million people survive on humanitarian aid programs for some portion of the year.

In 1999, Ethiopia earned \$267 million exporting 105,000 metric tons of coffee. According to current estimates, coffee contributes 10% of Ethiopia's GDP. More than 15 million people (25% of the population) derive their livelihood from the coffee sector.

Industry, which is largely state-run, is mostly restricted to agricultural processing and the manufacture of consumer goods. The leading manufactures include processed food, beverages, textiles, leather, chemicals, metal products, and cement. No large-scale mineral deposits have been found in Ethiopia; gold, platinum, salt, limestone, iron ore, and sulfur are extracted in small quantities. Foreign investment in the mining sector began in the 1990s

Ethiopia has a poor transportation network, with only 28,500 kms of year-round roads in 1996. The country's one railroad links Addis Ababa and Djibouti, and is in a state of disrepair. Plans for the revitalization of the railroad were announced in 1998. The chief ports serving Ethiopia are in the neighboring countries of Eritrea, Djibouti Kenya and Somalia.³

The annual value of imports into Ethiopia substantially exceeds the value of its exports (\$1.3 billion vs. \$550 million f.o.b. estimates, 1998). The principal imports are food, petroleum and petroleum products, machinery, motor vehicles, chemicals, and manufactured consumer goods; the main exports are coffee, hide and skins, oilseeds, grain, and gold. Given the country's agriculture-centered economy, Ethiopia is vulnerable to the adverse effects of fluctuations in commodity prices (especially coffee).

Prior to the outbreak of hostilities, Ethiopia embarked on a national Poverty Reduction Strategy Plan (PRSP) process. Originally chosen as one of the first to receive the debt

³ Assab, in Eritrea was the preferred port before the war. Djibouti is the most efficient option at this time. Berbera in Somalia is in limited use for some humanitarian aid. Limited use of Port Sudan for trade with Gondar is also a possibility. Kenya's port of Mombassa is problematic, due to poor connecting roads.

relief under HIPC II initiative, the World Bank blocked it, declaring the country had not gone far enough with its structural adjustments programs due to the border conflict with Eritrea. Recently the PRSP process was resumed and the GFDRE is discussing an interim PRSP with the World Bank and International Monetary Fund (IMF).

An estimated one billion US dollars worth of development projects were frozen or suspended by donors and financial institutions as a result of the border conflict. The GFDRE was forced to spend scarce resources on the military, significantly scaling back ambitious development plans. Foreign investment declined significantly. Government taxes, imposed in late 1999 to raise money for the war, will depress an already weak economy. The war forced the Government to improve roads and other previously neglected infrastructure.

In late 1999, the World Bank imposed a moratorium on new programs, and the European union suspended loans for new development projects. Although Washington continued bilateral aid to both Ethiopia and Eritrea, some bilateral donors halted previously agreed aid packages to Ethiopia. The UN belatedly imposed an arms embargo in May 2000. The US and other donors are considering a “peace package,” including long-term development aid and debt relief.

1.4.2. Government

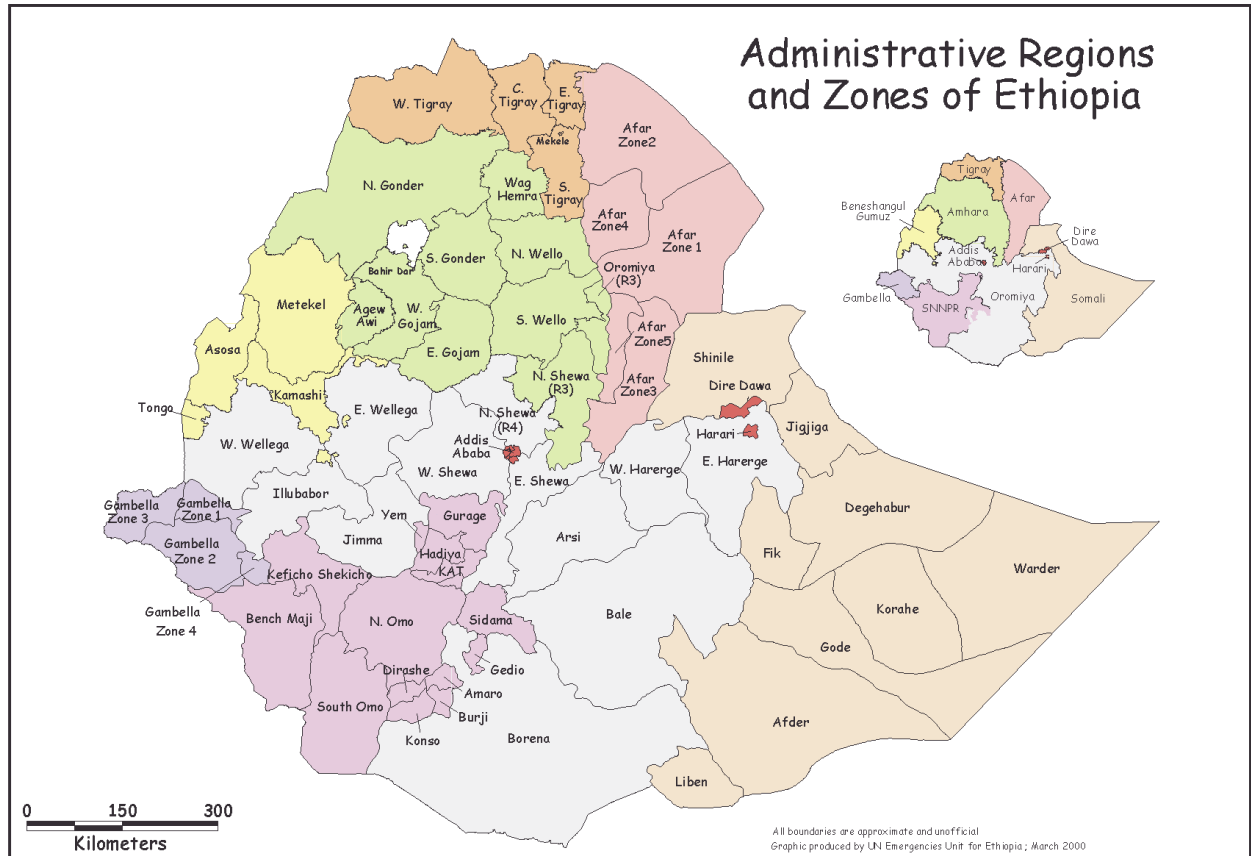
The Ethiopian constitution of 1994 provides for a president as chief of state and a prime minister as head of government. The bicameral parliament consists of the 108-seat Council of the Federation, which represents the ethnic interests of the regional governments, and the 548-seat Council of People's Representatives, whose members are popularly elected and who in turn elect the president. The party in power following legislative elections designates the prime minister. Elections were held in May 7, 1995 and May 14, 2000. The last elections were generally described as “fair and credible” by outside election observers.

Under Ethiopia's constitution, the federation comprises nine national regional states. (See map below). There is tremendous variation in size and population. Population figures from the 1994 census for each region are shown in the following table:

Region	Population (millions)
Tigray	3.1
AFAR	1.1
Amhara	13.8
Oromia	18.7
Somali	2.3
Benishangul-Gumuz	0.5
Southern Nations Nationalities and Peoples Region	10.4
Gambella	0.2
Harari .	0.13

The city administrations of Addis Ababa (pop. 2.1 m), and Dire Dawa (pop. 0.25 m) have a similar range of responsibilities, and are often informally included in references to "the regions"

Regions are divided into zones and districts (*woredas*). See map below.



1.5. U.S. GEOPOLITICAL INTERESTS IN THE HORN OF AFRICA

The U. S. country team's FY 2000-2002 Mission Performance Plan (MPP) identifies *regional stability* as the overriding U.S. national interest in the Greater Horn of Africa. In response to the current drought and extended recovery period, *effective response to the emergency* is the second priority. The MPP notes that Ethiopians see respect for human rights and the rule of law, and the evolution of a federal system of government as essential elements of the country's political culture, and makes *support for democracy and governance* its third priority. The FY 2000-2002 MPP highlights the issues of health and population, and makes the *protection of human health, slowing the spread of infectious diseases, especially HIV/AIDS, and stabilizing population* the Mission's fourth priority. Its fifth priority is to *promote broad-based economic growth*. Expanding U.S. exports to Ethiopia, meeting the needs of American citizens in Ethiopia, support for

counter-terrorism and environmental protection, in this order, are the Mission's remaining priorities. The strategic objectives proposed in this ISP follow from and strongly support these priorities of the MPP.

1.6. STABILIZING AND DESTABILIZING FACTORS IN ETHIOPIA AND THE HORN

Conflict is no stranger to the Horn of Africa. Deadly conflict has been a fact of daily life for too many Ethiopians over too many decades. During the past 38 years, Ethiopia has endured three wars, including 17 years of civil war. Ethiopia emerged in the early 1990s as a relatively peaceful, constitutional democracy led by a popularly elected government that has focussed on the development of the country and its peoples. It is a key member of the Inter-governmental Authority on Development (IGAD), an association of Greater Horn governments addressing issues of regional development and stability. Ethiopia, as a landlocked state, manages complex relations on all its borders with the goal of regional stability. As noted in Section 1.5, regional stability in the Horn of Africa and stability in Ethiopia lie at the core of U.S. national interests.

An assessment of USAID programs' vulnerability to conflict is critical to successful strategic planning. Identifying what USAID can do (in concert with other donors) to prevent and mitigate conflict, while more problematic, is just as essential. USAID/Ethiopia, by actions already taken, contingency plans recently approved, and proposed activities under this ISP, illustrates how a mission (and country team) can anticipate and address this concern.

The Mission has identified six potential areas of conflict in Ethiopia that could have adverse affects on the ability to achieve the results described in this six year integrated strategic plan. Disputes in some of these areas have already led to open conflict and warfare. Other areas of conflict could burst into open hostilities as situations unfold. Other areas of intermittent conflict have been present for decades, and could heat-up during the plan period as tensions increase.

The potential areas of conflict are

- The Ethiopia – Eritrea Border Conflict, including the impact of internally displaced people (IDP), and other potential border disputes,
- Drought and famine,
- Increased pressure on scarce natural resources, especially in pastoralist areas,
- Federalism and resource allocations to regions,
- The Nile River Basin and water utilization, and
- Islamic extremism.

These areas of potential conflict are further described in Annex 4. The impact these have, or may have on USAID programs are also identified. The USAID response in each case is also detailed in the annex. In the following, we provide a few examples USAID preventative and mitigating plans and interventions.

- USAID recognized early on that the Cessation of Hostilities between Eritrea and Ethiopia was only a necessary first step. To help consolidate the peace, the Mission led the Country Team and other donors in the development of IDP contingency plans. These plans direct attention to unmet humanitarian needs and ensure that resources could be made available quickly in the event that a peaceful resolution of the conflict resulted in the return of displaced people to their places of origin. The most recent revision played a key role in the justification for re-programming Development Assistance funds (and programs). Strategic objective teams are now implementing the reprogramming of DA and CSD funds to focus on the problems of internally displaced people.
- The USG's timely and generous response to the drought and potential famine that put 10 and a half million people at risk, serves as an outstanding example of humanitarian assistance. It is only one part of a multi-faceted approach to mitigating the effects of disasters, both natural and man-made. The strong emphasis on targeting food aid continues two years of work, and will be strengthened under the ISP. This effort and food aid monitors deployed to critical regions ensure that food aid is allocated to where the need is greatest.
- USAID is addressing pastoralist problems with a pilot integrated program of animal and human health service delivery, education adapted to pastoralist communities, and programs to enhance traditional dispute mechanisms. The focus is on people living along the border with Kenya and Somalia in southern Ethiopia. Coordination with REDSO is under discussion.
- USAID has led donor support to the Civil Service Reform Program to facilitate more effective and transparent management of expenditures at federal and regional levels. The situation is complicated by the differences in capabilities in the regions and zones. Training materials and procedures manuals have been translated into five regional languages to strength capacity at the regional level. Sector programs under health and education are building regional capacity to implement and better utilize the funds.

The mandatory Conflict Vulnerability Assessment in Annex 4 provides additional detail.

1.7. RELATIONSHIP OF ISP TO OTHER RECENT PLANS

In the fall of 1999, USAID/Ethiopia presented a Drought Emergency Plan for review by the Africa Bureau and Bureau for Humanitarian Response. This plan, updated annually, laid the groundwork for the highly successful efforts led by USAID/Ethiopia to avert famine in Ethiopia.

As noted, in September 2000 USAID Ethiopia submitted a "Contingency Plan for IDPs in Conflict-affected Areas." The aim of this plan was to catalyze response by U.S.G. agencies and other donors to address the critical problem of internally displaced people

on the border with Eritrea, their humanitarian needs, and the extra burden placed on communities in the region. The plan was approved by USAID/Washington, the NSC, and the State Department (see Annex 7 Cable: STATE 204976, Dated 10/26/2000).

The Contingency Plan was intended to address an immediate and short- to immediate-term challenge facing the GFDRE. In addition to food and non-food aid, the Strategic Objective teams were asked to identify DA and CSD resources that could be immediately reprogrammed to help stabilize the region. This is now being done.

2. STRATEGIC CHOICES FOR THE INTEGRATED STRATEGIC PLAN

2.1. CHOICE OF USAID GOAL AREAS AND STRATEGIC OBJECTIVES

2.1.1. The Mission's Long Term Goal and Overall Framework

USAID/Ethiopia's 20-year goal is to **reduce chronic food insecurity in Ethiopia**. It has been estimated that over 40% of the country's rural households do not produce enough food or income to meet their basic nutritional needs. Chronic food insecurity has eroded household coping mechanisms, making Ethiopians more vulnerable to hardship. In the year 2000, ten and a half million Ethiopians were at risk of starvation.

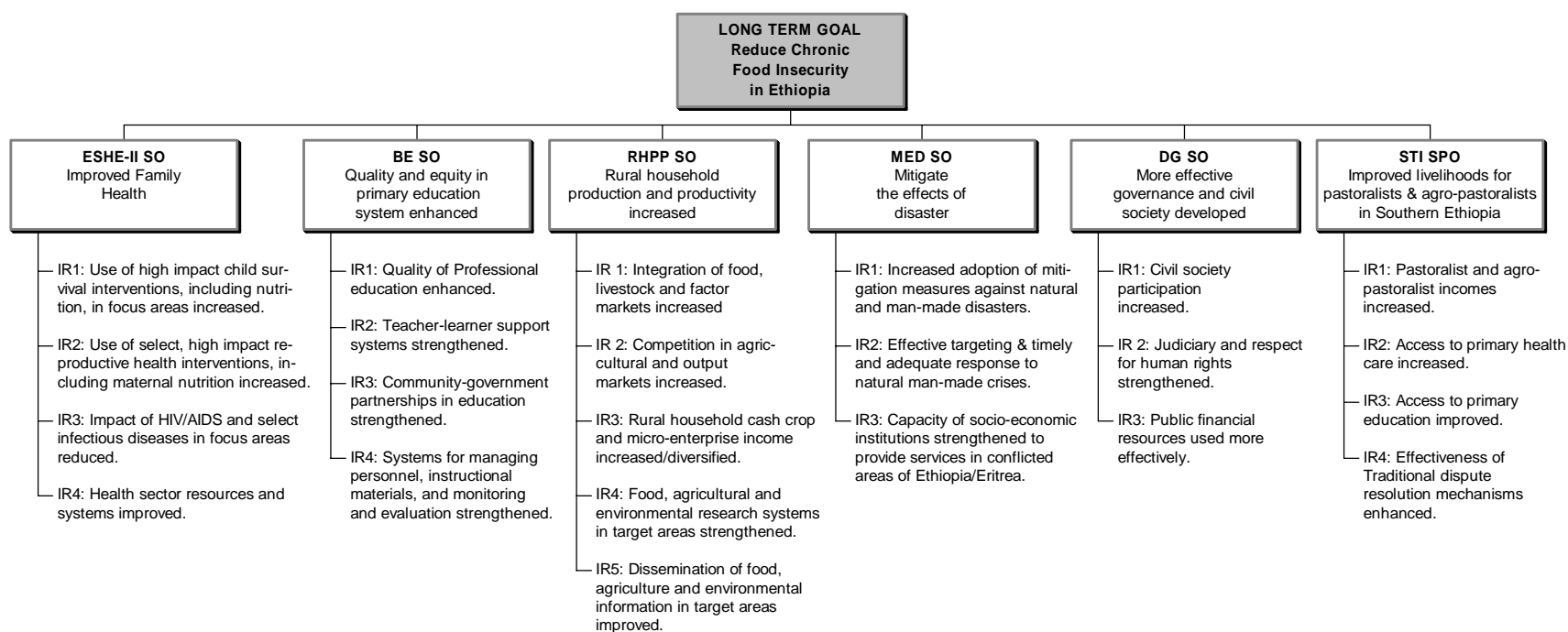
To address both chronic and emergency food insecurity, USAID/Ethiopia proposes five strategic objectives and one special objective⁴.

ESHE II SO:	Improved Family Health
BE SO:	Quality and Equity in Primary Education System Enhanced
RHPP SO:	Rural Household Production and Productivity Increased
MED SO:	Mitigate the Effects of Disaster
DG SO:	More Effective Governance and Civil Society Developed
STI SpO:	Improved Livelihoods for Pastoralists and Agro-Pastoralists in Southern Ethiopia

These objectives are shown, with intermediate results, in the mission goal and objectives framework below. These objectives are bound by four cross-cutting themes: nutrition, human and institutional capacity development, HIV/AIDS, and integrating Title II activities into development programs, which are further described in Section 2.2 below and Annex 3.

⁴ USAID/Ethiopia has adopted the convention of labeling the new objectives, rather than numbering until the strategy is approved and objective numbers are assigned for accounting purposes.

Mission Goal and Objective Framework



2.1.2. USAID Performance Goals

The United States has a strategic interest in *promoting sustainable development* worldwide. In order to ensure efficient support of this strategic interest, the United States Agency for International Development (USAID) established a set of performance goals.⁵ These goals also serve to define the nature and extent of the sustainable development challenges facing a particular country.

Broad-based economic growth, agricultural development and environmental protection. The percentage of Ethiopians living in poverty (46%)⁶ is approximately ten percent higher than in any other reporting in the countries of the Greater Horn of Africa. Ethiopia's agricultural growth rate is equivalent to other Horn of Africa. However, much of this growth has come at the expense of the natural resource base rather than through increased productivity. Even by Horn of Africa standards, Ethiopia protects a less than average percentage of its land, and its deforestation rate exceeds the average by a small margin.

Stabilizing population and protecting human health

Ethiopia's total fertility rate of 5.9 is the highest among Horn of Africa countries. Moreover, the population growth rate exceeds the agricultural growth rate (2.76% vs. 2.4%), portending increasing poverty in the medium- to long-term. The mortality rate of Ethiopia's under five-year old children (199/1000) is 19% higher than the average of other reporting Horn and Sub-Saharan countries. Given the gap between population and agricultural growth rates, it is not surprising that the percentage of Ethiopian children under five who are underweight (47.7%) is substantially higher than that in other Horn countries. The percentage of births attended by medically trained personnel in Ethiopia is less than half that in other Horn countries. Ethiopia's maternal mortality rate, estimated to be 1,400/100,000 live births, is substantially higher than those in other Horn countries. The total number of people infected by HIV/AIDS in Ethiopia, 2.6 million people, places it third in Africa, just behind South Africa and Nigeria.

Building human capacity and strengthening democracy and good governance

Basic education in Ethiopia lags that of other USAID-assisted countries. Approximately 45% of Ethiopia's primary school-age children are enrolled in school, versus the average of 52% in Sub-Saharan countries. Approximately 51% of the primary cohort in Ethiopia reach grade five versus approximately 70% in Sub-Saharan countries. The ratio of female to male primary students in Ethiopia is lower than the average for other reporting Horn and Sub-Saharan countries. On the other hand, Ethiopia is as free as all USAID-assisted countries (a score of 2 on the Freedom House Index vs. 2.1), but its civil liberties

⁵ For a list of the Agency's performance goals, see Agency Performance Report: 1998, (USAID: Washington, DC, March 31, 1999), Matrix A.1, pp. 213-215.

⁶ Defined by the Agency as people living on less than US\$1.00 per day. The comparative figures included in the following section are drawn from Performance Report, Table A, pp. 223-267. These figures are also presented in tabular form in Annex A of this document. Data in the Agency's Performance Report are drawn from different years; most recent data is usually from mid-1990s.

score, related to the rule of law and human rights, trails that of USAID-assisted and all countries (5 vs. 4.3 and 3.7 respectively).⁷

Finally, three years of progressively more difficult droughts left ten and a half million Ethiopians at risk of starvation in 2000, the highest number of vulnerable people in a single country anywhere in the world. USAID/Ethiopia's long-term strategic goal is to **reduce chronic food insecurity including helping to enhance Ethiopia's capacity to respond effectively to emergency food crises with its own resources**. To reach this goal USAID and other USG assistance will increase household income and agricultural productivity in a sustainable manner, and work to slow Ethiopia's high rate of population growth. To reach these goals, the Mission will focus on child survival, nutrition, family planning and the control of infectious diseases, agriculture development, basic education, and governance, with emphases on civil society, respect for human rights, the rule of law and the management of public resources.

2.1.3. Continuing Involvement in Social Sector Development Programs: Health and Education

Two new objectives continue USAID/Ethiopia's substantial involvement in the GFDRE's sector development programs in health and education.

USAID/Ethiopia's new strategic objective, *improved family health (ESHE-II SO)* builds on a decade of successful health programs. The health status of Ethiopians is among the lowest in the world.⁸ The ESHE II SO encompasses an integrated set of interventions: child survival (including nutrition), infectious diseases (with a strong focus on HIV/AIDS), reproductive health, systems strengthening, and health sector reform. By 2006, the infant mortality rate in focus regions of Amhara, Oromia, and SNNP will decrease from the national average of 113/1000 live births to below 90/1000 live births, and the contraceptive prevalence rate (for all methods) will increase by 60%, from a baseline of 8% to 13% nationally.

**ESHE II SO:
Improved Family
Health**

The Basic Education Strategic Objective (BE SO) statement essentially remains the same as in the previous strategy: *quality and equity in primary education system enhanced*. This means more pupils continuing and completing primary schooling (grade 1-8), learning basic skills and competencies, with improved access for all school age children. Particular emphasis is given to girls and children in disadvantaged circumstances, such as nomads and those displaced due to war or famine. From the baseline of 1998/99 to the end of the 2005/06 school year, USAID expects that gross enrollment ratio in grades 1-4 will increase 1% per year for boys, from 85.5 % to 92.5%, and 1.5% per year for girls, from 54.3% to 64.8%. Dropout rates in grades 1-4 will decrease by 0.5% per year for both boys and girls to below 15%.

**BE SO:
Quality and equity
in
primary education
system enhanced.**

⁷ *Ibid*, p. 213.

⁸ Please see ESHE-II SO Narrative (Section 3) for details.

The development challenges, GFDRE and previous USAID responses to the challenges, the results framework and rationale, preliminary performance monitoring plan and linkages to cross-cutting themes and other donors are discussed in detail in Section 3 for ESHE II SO and Section 4 for the BE SO.

2.1.4. Repositioning Interventions in Agricultural Development

USAID/Ethiopia's new strategic objective statement is *rural household production and productivity increased*.

Improving food security in Ethiopia requires linking food insecure districts to those with higher agricultural potential.

Therefore, the SO emphasizes improving market efficiency and competition. It also seeks to improve agricultural

practices and increase rural household incomes in arid and semi-arid zones. By 2006 USAID will increase market integration and competition through the establishment of reliable crop estimates and market price information systems and the development of farmer cooperatives in the four major regions of Ethiopia. USAID will also improve rural household well-being through increased food availability, diversified sources of income, and improved nutrition in the chronically food-insecure areas of Amhara and the Ethiopian-Kenyan border. Section 5 describes further details of the development challenge and expected results of the RHPP SO.

**RHPP SO:
Rural household
production and
productivity increased.**

2.1.5. Solidifying our Commitment to Mitigate the Effects of Disaster

The MED strategic objective *mitigate the effects of disaster* is a response to the continuous nature of crisis in Ethiopia. Economic hardship, insecurity, and natural disaster have combined to erode coping mechanisms, increasing levels of vulnerability. The MED SO

responds to current emergencies, while addressing the vulnerability of Ethiopia's population to future crises. Emergency resources will be programmed to address emergency situations, increase efficiency in emergency programs, support the relief to development continuum, and enhance cooperation among different players. By the year 2006, the percentage of vulnerable people with critical needs met will increase,⁹ malnutritional status of children under five in emergency sites will decrease,¹⁰ and the percentage of households in target areas that are able to maintain their core productive assets during a crisis will increase,¹¹ enabling families to protect or resume their productive livelihoods. MED SO details are further described in Section 6.

**MED SO:
Mitigate
effects of disaster**

⁹ Based on the 1999-2000 data relating to the food shortage emergency.

¹⁰ See DHS data in Annex 1.

¹¹ As qualitatively measured by partner organizations, using such indicators as rates of distress migration and household livestock holdings.

2.1.6. Strengthening Civil Society, Institutional Capacity, and Rule of Law

The DG SO follows directly on previous work in the democracy and governance area. The new strategic objective statement is *more effective governance and civil society developed*. Good governance, the effective use of public resources under a system legitimated by democratic principles, underlies the success of virtually all USAID programs in Ethiopia. Democratic reforms have been gathering momentum since the downfall of the Derg in 1991, particularly since the adoption of the current federal democratic constitution in 1994. The new strategy has been formulated to achieve maximum synergy with the other SOs of the Mission. To strengthen public-private partnerships, the DG SO will foster civic participation, encouraging government receptivity to inputs from civil society and improving the quality of the civil society advocacy process. To assure achievement of MPP, GHAI, and Mission objectives related to human rights, the DG SO will strengthen the judiciary and reinforce respect for human rights on a national level. To assure achievement of planned results in improved service delivery under the rural production and productivity, improved family health, and basic education SOs, the DG SO will support devolution of important elements of the civil service reform to regional and sub-regional levels. By 2006 civil society will be a more articulate and valued partner in all national relief and development programs. Ethiopia's judiciary will be proactive in promoting human rights according to international standards. At least 8 target regions as well as the city administrations of Addis Ababa and Dire Dawa will be implementing reformed financial systems in the agriculture, education, and health sectors. The DG SO details are elaborated in Section 7.

DG SO:
More effective
governance and civil
society developed.

2.1.7. Addressing Food Insecurity in the Southern Tier

USAID/Ethiopia proposes a new special objective tied closely to Greater Horn of Africa Initiative goals. The STI SpO statement is *improved livelihoods for pastoralists and agro-pastoralists in southern Ethiopia*. The pastoral areas of southern Ethiopia are among the least developed parts of the country. Infrastructure is poorly developed, with vast areas where there are no roads, schools, health facilities or telecommunication services. Levels of absolute poverty are high. Pastoralist households are often forced to survive on external food aid for several months of the year, and over 71% of children under 5 years of age in the target areas are stunted. The Mission views improved pastoralist livelihoods as a function of increased household income, improved access to health services and basic education, and freedom from conflict.

STI SPO
Improved livelihoods for
pastoralists and agro-
pastoralists in southern
Ethiopia.

The proposed Special Objective (SpO) will implement integrated pilot activities designed to reverse the downward spiral of increasing poverty, food insecurity, and escalating conflict faced by selected communities along the Ethiopian-Kenyan border. The

Southern Tier Initiative SpO, emphasizes movement along the relief to development continuum, by implementing development programs in this drought affected area.

The initial focus of the SpO will be the Borana zone of the Oromia Region and the Liben and Afdar zones of the Somali region. These adjacent zones fall along the Kenya and Somalia borders. Issues of access to natural resources and cross-border trade exacerbate the potential for conflict among the clans in these areas. By 2006 USAID will have laid the foundation for long-term development through successful, integrated small-scale pilot interventions in this area. Section 8 provides further details on the development challenges, rationale, and results expected from the STI SpO

2.2. SUMMARY OF CROSS-CUTTING THEMES

USAID/Ethiopia has identified four strategic areas where it will try to achieve results under all of its strategic objectives. Teams have been established to coordinate and assess the impact of each objective on (1) nutrition, (2) human and institutional capacity development, (3) HIV/AIDS, and (4) programming Title II resources. These themes are described in more detail in Annex 3.

2.2.1. Nutrition

In Ethiopia, 52% of children under the age of five years old are stunted, one of the highest rates of chronic malnutrition in the world. This process of stunting is manifested in the first year of life, particularly accelerating at age 6-11 months of life. 58% of all child deaths are probably attributable to protein-energy malnutrition. 56% of infants are sub-optimally breast-fed, and 14% of infant deaths are attributable to poor breast-feeding practices. 44% of children under the age of five suffer from sub-clinical vitamin A deficiency, with 25% of child deaths are attributable to vitamin A deficiency. The relatively high incidence of goiter (estimated at 22%) indicates that iodine deficiency is another critical problem facing Ethiopia's children and mothers.

The Mission's strategy is based on convergence between food security and nutrition.¹² Without food security, good nutrition cannot be achieved; and without good nutrition, individuals have more difficulty being economically productive. The food security strategy incorporates three elements:

- *availability* which addresses the issue of adequate production,
- *access* or the ability of households to acquire adequate amounts of nutritious foods through production or purchase, and
- *utilization* or consumption of appropriate foods to meet minimum nutritional requirements.

¹² As defined by UNICEF, "malnutrition" is a direct result of inadequate dietary intake and disease, themselves the results of insufficient household food security, inadequate maternal and child care, insufficient health services, and an unhealthy environment (Gillespie, Mason, and Martorell 1996).

The Mission's strategy directly addresses issues of *availability* and *access* through activities to increase agricultural production and productivity, household income, and efficiency of agricultural markets. The Mission has chosen to address *utilization* or nutritional status as a cross-cutting issue. This is because the level of utilization, which is manifested by nutritional status, has a multi-faceted nature. Malnutrition in Ethiopia is a reflection of not just of food insecurity but also of poor health, lack of education, and the challenges of the entire policy environment. (See also Annex 3.1)

2.2.2. Human and Institutional Capacity Development

The Ethiopian Prime Minister, Meles Zenawi, was asked what was the best approach USAID should take in building GFDRE capacity. He replied that previous technical assistance had failed to develop sustained institutional capacity. Technical assistance efforts were not geared to train national personnel to take over the programs donors created. The Prime Minister stated that capacity building has to be focused on building local institutions capable of sustainable training of national personnel, through staff training, and provision of necessary tools such as computers and books. The focus should be on institutions rather than on people.

USAID has been involved in human and institutional development in several sectors since 1991. Capacity development efforts will remain integral to individual strategic objective efforts, but will emphasize the support of sustainable local institutions through which Ethiopia can develop its own human capacity. USAID capacity development efforts will emphasize links between tertiary education institutions in Ethiopia, within the region, and with US institutions to provide much needed technical expertise to strengthen Ethiopian institutions and provide a conduit for new ideas, methodologies, and technologies. (See also Annex 3.2)

2.2.3. HIV/AIDS

The first evidence of HIV infection in Ethiopia was found in 1984 and the first AIDS case reported in 1986. Today the total number of adults and children infected with HIV is (conservatively) estimated at 2.6 million, out of which 250,000 HIV infections are among children under the age of five.¹³ The cumulative number of AIDS deaths from the beginning of the epidemic is estimated at about 1.2 million. This figure is expected to increase to 1.7 million by the year 2002¹, with the majority of deaths occurring among young adults.

HIV/AIDS is a major development crisis affecting all sectors, requiring a cross-sectoral response. The loss of productive capacity within families and communities has adverse effects on food security. The increasing number of infected patients will drain an already over-stretched health care system. AIDS orphans and children of affected households

¹³ AIDS in Ethiopia, Disease Prevention and Control Department, MOH, 3rd edition 2000

will face increased barriers to education, as they take on additional household responsibilities. People affected by AIDS require special protection under the law, increasing the burden on governance systems. USAID/Ethiopia will address the impact of HIV/AIDS in all five of its strategic objectives, acknowledging that the only way to deal with the epidemic is to have a coordinated response in the prevention of the disease and the mitigation of its terrible effects. (See also Annex 3.3)

2.2.4. Integration of Title II Activities into Development Programs

A recent joint donor-government assessment of food security in Ethiopia concluded that nutritional standards have fallen steadily over the last 15 years. Previous efforts to reduce malnutrition rates through Title II-supported activities lacked focus, and were inadequately integrated with interventions in the other sectors. Closer ties to the sectors of health and agriculture were needed to address the direct determinants of child malnutrition, leverage DA funds and improve impact. This finding was key to the decision to separate the programming of Title II resources from food security and incorporate it as a cross cutting theme.

Since November 1999, the Mission has been working closely with the Food and Nutrition Technical Assistance (FANTA) project to improve the quality of the Title II programs and to seek opportunities to integrate both Title II and DA resources to better address nutrition. After workshops and consultations, a consensus emerged between the Mission and Title II partners about increasing the focus of future nutrition activities to be supported with USAID resources (DA and Title II). A detailed description of activities corresponding to each SO and IR which could be implemented by the Title II cooperating sponsors are presented in Annex 3.4.

2.3. CONVERGENCE WITH MISSION, AGENCY, GHAI AND MPP GOALS AND OBJECTIVES

USAID/Ethiopia's objectives support the goals of USAID and the Greater Horn of Africa Initiative (GHAI), as well as U.S. foreign policy objectives for the Horn of Africa.¹⁴ They also support the developmental priorities of the Government of the Federal Democratic Republic of Ethiopia (GFDRE), particularly its recognition that rapid and broad-based economic growth requires peace and stability, and its emphasis on building the human capacity needed to support the on-going evolution of democratic institutions in Ethiopia.

2.3.1. USAID/Ethiopia's Long-term Goal

USAID Ethiopia's long-term goal is to *reduce chronic food insecurity in Ethiopia*. All SOs address this goal.

¹⁴ For the purposes of this ISP document, the Horn of Africa refers to Eritrea, Ethiopia, Djibouti, Somalia, and Kenya.

The RHPP SO will foster increased food availability through improving agricultural production. It will increase access by improving the efficiency of agricultural markets, and increasing household incomes. It will improve food utilization through the introduction of more efficient pre- and post-harvest technologies and nutritional practices.

Droughts are a recurring phenomenon in Ethiopia, forcing the liquidation of productive assets and moving households into destitution. The MED SO combination of mitigation and humanitarian response activities addresses the cyclical nature of droughts, reducing the effect of the emergency, and enabling faster recovery of affected populations.

The STI SpO addresses chronic food insecurity in one of the most food-insecure areas in Ethiopia. Efforts to empower pastoral communities to address their own problems and increase income, will contribute to improved food security and the general well being of households in the area.

The ESHE SO will improve the overall health and nutrition of the most vulnerable (women and children) by improving access to, and utilization of, essential nutrition and health services. This will contribute to the reduction of the disease burden and improve the utilization of available food. Improving and safeguarding the health of vulnerable groups will foster socioeconomic development and reduce chronic food insecurity.

Enhanced quality and equity in basic education will allow Ethiopia's citizens to better utilize alternative technologies, and take full advantage of available market systems. Literacy can enhance the organizational capacity of farming cooperatives, and increases access to a variety of extension messages and services.

The DG SO promotion of more effective governance and civic participation is an essential contribution to the struggle for food security. If future famines are to be averted, government and civil society must respect each other and communicate effectively, with adequate protections for citizens' rights and responsibilities and with transparency and accountability on both sides.

2.3.2. Agency Strategic Goals

The RHPP SO contributes directly to the Agency goal *broad-based economic growth and agricultural development encouraged*, with a primary focus on objective 1.2, *more rapid and enhanced agricultural development and food security encouraged*. The SO market approach to broad-based economic growth will contribute to increased food availability and employment at the national level. Research and extension will increase production using environmentally friendly agriculture.

The DG SO responds directly to the Agency's second strategic goal, *democracy and good governance strengthened*. Public resource management addresses objective 2.4, *more transparent and accountable government institutions through support to the civil service reform*. It also contributes to objectives 2.1 *strengthened rule of law and respect for human rights* and 2.3 *increased development of a politically active civil society*.

BESO-II contributes to the Agency's third strategic goal *build human capacity through education and training*. The primary strategic objective it addresses is 3.1, *expanding access to quality basic education, especially for girls and women*.

ESHE-II responds directly to the Agency strategic goal of *world population stabilized and human health protected*. The four areas of emphasis child survival (including nutrition), infectious diseases (with a strong focus on HIV/AIDS), reproductive health, systems strengthening, and health sector reform correspond to the Agency's five strategic objectives under this goal.

The MED SO contributes to the Agency's sixth Strategic Goal: *lives saved, suffering reduced, and conditions for political and/or economic development re-established*. The primary Agency strategic objective it addresses is 6.2, *meet critical needs in times of crisis*. It also addresses objective 6.1 *to reduce the potential impact of crises*, and 6.3, *contribute to the re-establishment of personal security and basic institutions, which meet critical intermediate needs on a secondary basis*.

The STI SpO addresses the first Agency goal of *encouraging broad-based economic growth and agricultural development*. It also addresses the Agency's goals of *protecting human health*, and *building human capital through education and training*, and has the potential of *reducing the need for humanitarian assistance* among pastoralists in Ethiopia's southern border areas.

2.3.3. GHAI Objectives and Principles

The GHAI objective of *regional food security* is supported by all SOs.

The DG SO directly contributes to the GHAI objective *strengthened African capacity to prevent, mitigate, and respond to conflict in the GHA region*. If democratic institutions do not take root over the next decade, Ethiopia will increasingly face the danger of fragmentation along ethnic and regional lines. Such fragmentation would have grave consequences for regional stability. The BE SO promotes *conflict management* through the propagation of supplementary reading materials and activities promoting a "culture of peace." The STI SpO will work primarily through an existing network of Ethiopian NGOs, local government units and the international community, supporting indigenous conflict resolution mechanisms.

African ownership of programs is supported by all SOs. The ESHE-II SO, BE SO and RHPP SO are designed in partnership with key counterparts to support GFDRE sector development programs. MED emphasizes Ethiopian ownership through improved national surveillance systems, and enhanced GFDRE capacity for emergency response. DG support to implementation of essential civil service reforms fosters Ethiopian ownership of the process at all levels of government.

Strategic Coordination is fostered by the ESHE-II SO through the Leadership and Investment for Fighting an Epidemic (LIFE) Initiative, in which a number of USG

departments participate in the coordination of HIV/AIDS activities at the national level, as members of the HIV/AIDS working group.¹⁵ RHPP promotes coordination between donors and the GFDRE in its sector. MED support to the DPPC improves coordination of GFDRE, donor, and NGO entities in emergency response.

The BE SO directly promotes *increased access to education* for all children, particularly for disadvantaged populations. The STI SpO develops alternative modes of education adapted to the special needs of pastoralists. This principle is also indirectly supported by DG SO civil service reforms. The BE SO promotes *diversity* through the use of local languages in interactive radio modules. The DG SO reinforces respect for basic human rights for all groups.

The RHPP SO addresses the *relief-to-development continuum* by focusing activities in the chronically food-insecure arid and semi-arid areas of Ethiopia. The MED SO links relief and development efforts, to reinforce longer-term development goals and minimize vulnerability.

All SOs collaborate closely with counterparts at the regional level in focus regions, incorporating regional *initiatives and perspectives*. The MED-supported DPPC Early Warning Unit receives data through its regional and zonal network, and from other government offices at regional, zonal, and district levels. The STI SpO focuses specifically on programming at a regional sub-regional level.

By strengthening citizens' rights and responsibilities among the judiciary and civil society, the DG SO *promotes stability*. The RHPP SO increases the stake of rural households in long-term economic growth. The MED SO mitigates the need for widespread distress migration in times of crisis, and the MED SO will promote stability in war-affected areas by supporting national and regional efforts to reestablish basic socio-economic institutions (political and security conditions permitting).

2.3.4. Mission Performance Plan (MPP)

All USAID/Ethiopia objectives support the MPP goal of *economic development*. Agricultural development, literacy and numeracy, and strong democratic systems all foster economic development. Improved family health is a precondition to sustained economic growth. Mitigating the effects of disaster enable the early resumption of economic activity. The STI SpO promotes development in the pastoral areas.

The ESHE-II SO contributes to the objective *to enhance the capacity of Ethiopians to provide quality services in key sectors of the economy*. A key priority will be to contain the HIV/AIDS pandemic before it depletes Ethiopia's human capacity base.

The BE SO supports the objective, *increase income security*. Enhancing primary education means that more children will have the literacy, numeracy, and other basic

¹⁵ These include USAID, the State Department, Center for Disease Control, and the Department of Defense (working with the Ethiopian military).

skills necessary to fully participate in a stable and productive society. RHPP SO will improve productivity, diversify the rural sector and improve the efficiency of rural markets, leading to greater income security for the rural population.

The MED SO fully supports the MPP goal *promoting regional stability* through the provision of *humanitarian assistance*. The Chief of Mission Statement ranks these issues first and second priority for U.S. national interests in Ethiopia. Humanitarian and development assistance reduces the likelihood of cross border distress migration in search of basic resources. Assistance to war-affected internally displaced persons alleviates suffering and minimizes further displacement, aiding post-conflict return and recovery. The STI SpO addresses the endemic and increasing conflicts among pastoralists in the arid parts of the country, especially in the south. The cross-border nature of many of these conflicts, jeopardizes Ethiopia's strategic role, and threatens to undermine the security of the region as a whole.

The DG SO contributes to the Mission Performance Plan (MPP) goal of *democracy*. Support to strengthening the judiciary is raising the competence of judges at the federal and regional levels, accelerating the trials of Derg era officials accused of crimes against humanity, and heightening awareness of female genital mutilation and violence against women in Ethiopia. The focus on strengthening civil society will broaden opportunities for political participation and strengthen domestic advocacy for better governance and human rights. Civil service reform will reduce opportunities for corruption in the bureaucracy.

2.4. OTHER DONOR ASSISTANCE

The major donors to Ethiopia's development and humanitarian assistance are the World Bank, the European Union, the United Nations, bilateral European countries and their assistance programs, Canada and the USG. Information on the commitments and actual expenditures of the major partners is being collected and analyzed. More details are found in Sections 3 to 8 of the ISP.

Donor coordination in Ethiopia is good, especially in sector development programs in roads, health, and education. External flows largely fund the capital budget and peaked in 1994-1995. USAID and other donor involvement in budget support, as a result of the Ethiopia and Eritrea border conflict, has been suspended. USAID programs have been and will continue to be closely coordinated with all our partners to gain maximum leverage and effectiveness. The coordinated response to the food emergency and the IDP crises are examples. Coordination has been particularly good in HIV/AIDS and population, and food assistance.

2.5. SUMMARY OF ANALYSES

2.5.1. Environment (See Addendum and Revised Annex 5)

Ethiopian forests, environment and biological diversity have been the subject of much research. All relevant studies document alarming rates of depletion and destruction of natural resources, and predict serious consequences in the future due to overpopulation, drought, overgrazing and poor policies. Most call for policy reform, operational budgetary support for government agencies, and large contributions for conservation and rehabilitation activities. Although significant funding has been allocated to this sector over the years, improvements are not clearly evident.

Overpopulation, inefficient use of the natural resource base and slow economic growth are seemingly overwhelming problems impacting on the conservation of Ethiopia's tropical forests and biological diversity. The average farm size can no longer provide enough food for a growing family. Plots cannot be further divided, nor is acquisition an option, forcing adult children to seek their fortunes elsewhere. Migration to state farms, cities and towns or uncultivated land are the only alternatives. The Government's National Food Security Policy advocates increasing economic growth and improved land use technologies. The former requires significant external investment in developing Ethiopia's most abundant resource, water, but is a highly charged political issue at present. (See Conflict Vulnerability Assessment, Annex 4). Improved land use technologies and other modest forms of economic growth activities are the goal of many donors, including USAID/ Ethiopia.

A recent assessment of watershed management proposals commissioned by USAID/Ethiopia, concluded

“...for successful integrated watershed management which involves densely populated and degraded areas... The solution...must come through creating and motivating self-reliance and community institutions to broker the unavoidable production tradeoffs that are so often the first real step towards resolving land-use issues. An organized and empowered community, able to take collective decisions and hold their peers accountable for compliance, is the key element and one that overshadows physical interventions and will outlast them.” (Catterson et al, 1994).

Another recent USAID study on NGO water and sanitation activities pointed out the critical relationship of watershed management to small-scale irrigation and potable water, and the need for community decision making for insuring sustainability. Training modules are being prepared for widespread dissemination of these concepts.

USAID/Ethiopia SOs are working to instill the widespread awareness, knowledge and sense of responsibility for the environment which is essential to conservation. Alternative income generation activities will be developed to relieve pressures on natural resources.

Mission activities will be confined to the following:

- Environmental awareness programs are integrated into the BE SO, the DG SO NGO training activities; the Southern Tier SPO, and the Title II cross-cutting theme.
- The RHPP SO will increase knowledge and responsibility and develop alternative income generation activities, and will support Amhara Regions land tenure reform.
- The MED SO may contribute TA to build capacity for fighting forest fires (if necessary).

2.5.2. Other Mandatory Analyses

Gender issues and concerns are addressed in detail in the Strategic Objective descriptions in Sections 3 to 8, in particular, the health focus on maternal health challenges, the education focus on basic education for girls and pastoralist groups, the agriculture focus on rural *households* (recognizing the central role of women), the work on vulnerability profiling supported under the MED SO, and the issues of women's rights under the DG SO and support to civil advocacy. (See also Annex 6)

USAID/Ethiopia fully embraces the importance of identifying appropriate responses and assessing the gender differentiated impact. To this end, the preliminary performance monitoring plans, at the IR level and below will specifically differentiate results by gender where appropriate. The mission has requested an IWID fellow to begin in CY 2001, and strengthen coordination among the SO teams.

The mandatory Conflict Vulnerability Assessment, briefly described in Section 1.6, is detailed in Annex 4.

Annex 2 briefly summarizes the analytical body of work and consultations that were drawn from to prepare each Strategic and Special Objective and includes annotated Bibliographies. It should be noted that the analyses for the preparation of this ISP began several years ago and has been continually updated by more recent findings and fieldwork.

3. IMPROVED FAMILY HEALTH STRATEGIC OBJECTIVE

3.1. DEVELOPMENT CHALLENGE

Ethiopia is the second most populous nation in sub-Saharan Africa, with an estimated population of 64 million. With a 2.76% growth rate, Ethiopia's population will approach 84 million by the year 2010. Approximately one-fifth of Ethiopian children die before their 5th birthday. More than 70% of these deaths are probably caused by some combination of Acute Respiratory Infection (ARI), diarrhea, malaria, measles and malnutrition.¹⁶ Poor nutritional status, infections, and a high fertility rate,¹⁷ contribute to one of the highest maternal mortality rates in the world, estimated at five to eight maternal deaths per 1000 live births. Ethiopia has one of the lowest contraceptive prevalence rates in sub-Saharan Africa, currently estimated at eight percent. A high level of unmet need for family planning services has been registered in different surveys. Additionally, 52% of children under the age of five are stunted,¹⁸ 22% are iodine deficient, and 44% Vitamin A deficient.

The continual threat posed by infectious diseases such as HIV, malaria, TB, and meningitis is further compounded by the shortage of essential drugs at the health facility level. Inefficient distribution mechanisms and inappropriate utilization of drugs are contributing problems at the service delivery level. HIV/AIDS threatens the modest gains in health and socio-economic development achieved over the past several decades. Current estimates suggest that one of every 14 adults in Ethiopia may be infected with HIV. Thus, three to four million people are probably infected with the virus, while the number of full-blown AIDS cases may exceed 500,000. The main routes of HIV infection are unprotected heterosexual contact and mother-to-child transmission. The number of AIDS orphans is estimated at 700,000. The Ministry of Health (MOH) reports that the number of tuberculosis cases is also on the rise.

Despite an increase in the number of Government health facilities, there has been no improvement in the quality of essential health services. Basic drugs, supplies and trained personnel are in short supply. Distribution of facilities remains biased towards urban and peri-urban areas (rural towns with access to roads), in a country where 85% of the population is rural. Approximately 50% of Ethiopians live more than a two-hour walk from the nearest health care facility. The availability of basic health services is further limited by inadequate financial support, inefficient use of available resources, and the lack of management and health care delivery capacity. As a result, a large number of deaths are from potentially treatable illness.

¹⁶ In the 2000 Demographic Health Survey (DHS), these causes are cited by mothers as reasons for seeking care for approximately three out of four children who visit health facilities.

¹⁷ The total fertility rate for Ethiopia is 5.9.

¹⁸ Stunted refers to low height for age, a sign of long term malnutrition.

Health care financing represents a major constraint to the health sector. Recurrent expenditures covered by fee retention were estimated at 8% in 1994.¹⁹ Current Government regulations require funds collected for health services to be returned to the central treasury, providing little incentive for the health centers to collect such fees. At the policy level, the Government invites the private sector into the health care delivery arena, however the operational practices of the Government create obstacles to investment in the sector.

3.2. GFDRE²⁰ RESPONSE TO CHALLENGE

3.2.1. Key Policies and Programs

The GFDRE has supported new and innovative approaches to improving the health sector by approving a number of key social sector policies:

- The National Health Policy emphasizes strengthened promotive and preventive health care services.
- The Health Sector Development Program (HSDP) decentralizes health sector responsibilities to the regions. Through HSDP, the Government places a high priority on health, and commits to specific goals utilizing internal and external resources.
- The National Population Policy links the issue of population growth with development.
- The National Policy on Women integrates gender issues with national development.
- The National AIDS Policy outlines the Government's approach to the HIV/AIDS epidemic.
- The Health Care Financing Strategy promotes sustainable health service delivery systems.

3.2.2. Health Sector Development Program

The Health Sector Development Plan (HSDP) is the first in a series of four program phases for implementing the National Health Policy. HSDP stresses coordination of Government and donor resources for sectoral development, and promotes the participation of the private sector, NGOs and local communities. The goals of the HSDP are to:

- improve the coverage and quality of health services,
- be primarily implemented and managed by regional, zonal and district level health officials, and
- be financially sustainable.

¹⁹ Although current data is not available, this percent is not likely to have improved. There has been an increased recurrent budget without a concurrent change in the fee structure.

²⁰ Government of the Federal Democratic Republic of Ethiopia.

The HSDP is currently in the third year of implementation. To ensure that Government contribution in this sector increases, donors have utilized the HSDP Annual Review Missions and the Joint Review Missions to advocate for increased allocation of resources. The GFDRE currently contributes 55.4% to the cost of HSDP and has targeted its resources where donor inputs have been minimal.

3.3. PRIOR USAID HEALTH EXPERIENCE IN ETHIOPIA

Under the Mengistu regime, USAID focused on emergency health programs linked to humanitarian relief. Health development assistance became a priority after the re-establishment of the Mission in 1991. The 1993 Country Strategy included a sub-goal for *“smaller, healthier and better educated families”* and an SO *“increased use of primary and preventive health care (PPHC) services.”* To achieve the SO and sub-goal, the Mission designed a health assistance package entitled “Essential Services for Health in Ethiopia” (ESHE) which was initiated in August of 1995. Of the total planned USAID contribution of \$70 million²¹ under ESHE, \$26.5 million was for project support to the Government and \$30 million was for non-project assistance. The remaining \$13.5 million was provided to NGOs. In addition to the \$70 million, approximately \$5 million a year was channeled through Global Field Support.

ESHE included four intermediate results:

- Increased resources dedicated to the health sector particularly primary and preventive health care (PPHC).
- Increased demand for and access to modern contraceptives in focus areas.
- Increased demand for and access to services for sexually transmitted diseases (STD) and HIV/AIDS.
- Increased use of integrated PPHC services in Southern Nations, Nationalities, and People’s Region (SNNPR).

USAID's combined project and non-project assistance through ESHE contributed to positive changes in the health sector. The partnership between Government and donor institutions strengthened, the number of trained health professionals increased, and quality of care improved. The share of total budget allocated to health, the share of health budget allocated to primary and preventive care, and total health expenditures all increased. To increase health resources further, the GFDRE, with USAID’s support, recently introduced the Health Care Financing Strategy. Initial activities have started in several sites throughout the country.

Achievements to date in the area of reproductive health (including HIV/AIDS) have been encouraging. Ethiopia’s social marketing program, supported by USAID, has been heralded as one of the most successful social marketing programs in sub-Saharan Africa. Currently over 42 million condoms have been socially marketed throughout the nation. The number of socially marketed oral contraceptives has doubled in the last three years.

²¹ All Dollar (\$) values presented in this document are U.S. Dollars.

Couple years of protection (CYPs) generated through local NGOs supported by USAID have increased fourfold since the inception of the program. The contraceptive prevalence rate in project areas increased from a baseline of 4% to over 25% in the past four years.

In response to the HIV/AIDS epidemic, advocacy activities created awareness of the urgency and magnitude of the problem. Results included widespread public awareness of AIDS as a major health problem in Ethiopia, the approval of a national AIDS policy by the Council of Ministers, and due attention to HIV/AIDS prevention and mitigation in the HSDP. USAID has engaged “faith based” organizations, such as the Ethiopian Orthodox Church and the Ethiopian Islamic Affairs Supreme Council, as partners in HIV/AIDS prevention and mitigation efforts.

In the Southern Nations, Nationalities and Peoples Region (SNNPR) focus region, the regional health sector budgets increased from 14% to 16% of the total. The supervisory system has been revised based on the direct observation of providers' behavior, outreach has been enhanced, and the regional training of service providers has been expanded.

3.4. ESHE-II SO RESULTS FRAMEWORK AND KEY PARAMETERS

3.4.1. ESHE-II Results Framework

The ESHE II SO statement is *improved family health* in Ethiopia. The strategy builds on the successes and addresses the gaps identified through past experience in the sector. The new strategy will broaden USAID's impact by focusing on four areas: child survival, reproductive health, HIV/AIDS and infectious diseases, and health sector capacity building. Indicators include: infant mortality rate (IMR) in target regions; contraceptive prevalence rate (CPR) nationally, percentage of children 6-24 months of age receiving adequate complementary feeding in target regions, and HIV prevalence among young women (15-24) accessing antenatal care services in urban and peri-urban areas.

The three focus regions of Amhara, Oromia and SNNPR were selected based on need, level of political commitment, and to enhance synergy with other strategic objectives. The reproductive health component will focus on urban and peri-urban areas throughout the country, and will expand to rural areas in the focus regions as resources permit.

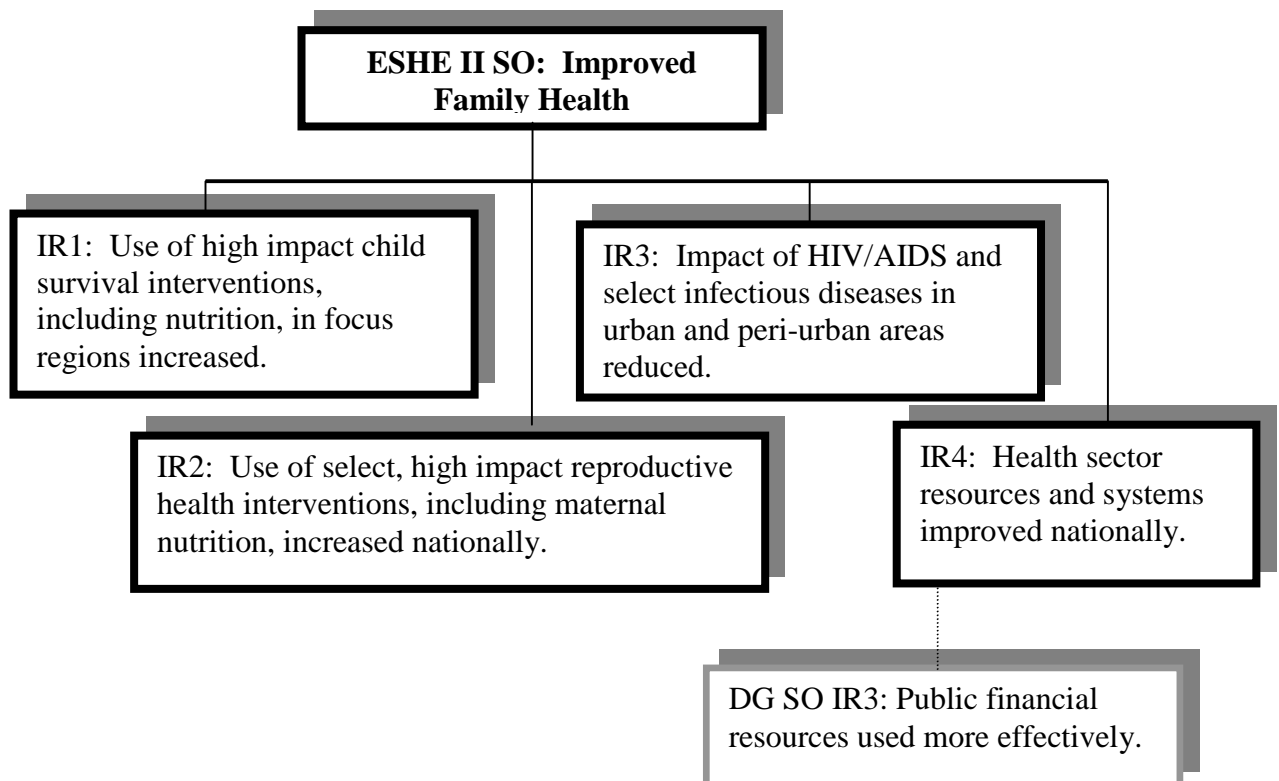
The result framework is presented graphically in the figure below.

3.4.2. Program Rationale

The USAID and GFDRE commitment to an effective, accessible PPHC system remains strong. This commitment is based on the assumption that improving health care service delivery (access and quality) will result in increased utilization of those services and an improved national health condition. Within the context of this focus, USAID's emphasis on basic health care delivery to strengthen child survival and reproductive health/family planning services remains unchanged. HIV prevention is a significant area of focus for

Ethiopia, as for most sub-Saharan African countries. The new strategy emphasizes HIV/AIDS, including support for voluntary counseling and testing (VCT), community-based care and support, and AIDS orphans. Another infectious disease, malaria, threatens the lives of millions of people per year, requiring systematic early detection and treatment to prevent mortality.

Essential Services for Health in Ethiopia (ESHE) II Results Framework



The new strategy will improve the logistics systems providing essential drugs at the lowest service delivery level. The SNNPR system will be replicated in Amhara and Oromia. Efficiency, quality and equity of service provision will be improved through support to the implementation of the GFDRE's Health Care Financing Strategy.

3.4.3. Convergence with GFDRE Policies and Plans

The ESHE-II strategic objective has been designed to support the GFDRE's Health Sector Development Program. The SO shares the service focus of the HSDP through components relating to the delivery of child survival, reproductive health services and prevention/mitigation of STI/HIV/AIDS. The SO supports the implementation, monitoring and evaluation of the HSDP, by strengthening both the planning and budgetary processes, and data collection through the Demographic and Health Survey (DHS)²².

²² The first Ethiopia Demographic and Health Survey was undertaken in 2000 and the preliminary results

The Health Sector Development Program, the National HIV/AIDS and Health Policies give priority to the prevention, control and reducing the impact of HIV/AIDS and ID, acknowledging them as major development issues requiring a multi-sectoral response.

3.4.4. Critical Assumptions

A number of critical assumptions will influence the achievements of the ESHE-II SO.

- HSDP is implemented as planned by GFDRE central and regional governments, and the necessary resources continue to be available for implementation.
- Government commitment and resources dedicated to PPHC are used effectively to increase access to such services.
- Increased resources dedicated to the health sector and to PPHC will improve service utilization and health status.
- The environment for NGOs and private sector health care delivery continues to improve.
- Regional authorities endorse and implement national health policies, including key nutrition interventions.
- The GFDRE continues to support the implementation of both the National AIDS Policy and the Health Care Financing Strategy.

3.4.5. ESHE-II SO Intermediate Results: Rationale and Illustrative Activities

ESHE-II encompasses all of the Mission's activities in the health sector. This approach for achieving this objective is defined by the four Intermediate Results presented below.

IR1:
Use of high impact child survival interventions, including nutrition, in focus regions increased.

In order to address the high levels of infant and under five mortality and morbidity, IR1 will support interventions that focus on: 1) improved access to immunization; 2) improved access to integrated management of childhood illnesses, including ARI, diarrhea, malaria, and measles, and 3) improved infant feeding practices, micronutrient supplementation and food fortification. The key

assumption is that increased use of high impact child survival and nutrition activities will contribute to the reduction of the tragic consequences of common childhood illnesses and malnutrition, therefore improving the health status of children in Ethiopia.

were published in September 2000.

Illustrative activities to achieve IR1 include:

- expanding effective community-based and community outreach strategies through system strengthening,
- improving quality of child survival services (immunization, family planning, malaria control, increased use of safe water and environmental sanitation, proper management of common childhood illnesses, etc.),
- promoting optimal infant breastfeeding practices,
- promoting optimal complementary feeding after the age of 6 months and during and after illnesses,
- supporting supplementation of vitamin A, iodine and iron to children and mothers, and
- implementing growth monitoring activities in focus areas.

**IR2:
Use of select, high impact
reproductive health
interventions, including
maternal nutrition,
increased.**

The adverse impact of high fertility rates on the health status of mothers and children is well documented. Furthermore, only 10% of births are attended by trained professionals, significantly increasing the vulnerability of the woman and newborn at the most critical time in their lives. IR2 contributes to the ESHE-II strategic objective by increasing the use of selected high impact reproductive health services (family planning, safe motherhood,²³ and adolescent reproductive health). Interventions will focus on improving access to and demand for contraception nationally, and improving access to maternal health services, with support to emergency obstetric care. The use of contraceptives will contribute to the improved health of mothers and children by reducing the frequency and number of births. Improving access to maternal health services can prevent or address complications of pregnancy.

Illustrative activities to achieve IR2 include:

- increasing access to contraceptives through social marketing, NGOs and public sector delivery of services,
- improving quality of reproductive health service delivery through systems,
- strengthening (management, logistics, and supervision) and expanding method mix,
- expanding capacity and improving quality of services for antenatal care, safe delivery, and post natal care services (including family planning),
- developing multimedia information, education, and communication (IEC) materials designed to increase demand for contraceptives and promote appropriate feeding practices,

²³ Safe Motherhood is defined as a set of services covering antenatal care, delivery, and post natal care. It is a sub-set of Reproductive Health, which encompasses Family Planning, Safe Motherhood, and Infectious Diseases.

- supporting vitamin A, iodine and iron supplementation,
- increasing food intake of high-risk pregnant women using Title II commodities, and
- improving reproductive health policy (including contraceptive security).

**IR3:
Impact of HIV/AIDS and
select infectious diseases in
focus areas reduced.**

Like most sub-Saharan African countries, HIV/AIDS in Ethiopia is increasing at an alarming rate. Other infectious diseases are major health and development problems, with tuberculosis and malaria accounting for the highest number of deaths among adults. The intent of IR3 is to reduce HIV infections through testing, counseling, behavioral change and outreach; mitigate the impact of AIDS on people affected by HIV/AIDS including families and communities; and reduce the morbidity and mortality caused by selected other infectious diseases.

Illustrative activities to achieve IR3 include:

HIV/AIDS

- strengthening voluntary counseling and testing services, and increasing their availability,
- developing and disseminate community-based IEC/behavior change communications,
- increasing awareness and risk reduction activities among target groups,
- working in cross border areas to promote IEC/behavior change communications, contraceptive social marketing, and sexually transmitted infections services,
- developing strategies and guidelines to enhance policy implementation,
- strengthening sentinel and disease surveillance systems,
- strengthening syndromic management of sexually transmitted infections,
- supporting condom distribution and promoting safe sexual practices, and
- conducting operations research to inform interventions.

Tuberculosis (TB)

- strengthening the national reference laboratory for quality assurance,
- improving procurement and logistics system for drugs supply,
- establishing alternatives to health facility-based directly observed treatment, and
- establishing voluntary counseling and testing centers for TB and HIV/AIDS.

Malaria

- supporting the Government's Roll Back Malaria (RBM) program with policy dialogue, review of guidelines, and identification of best practices,
- strengthening capacity in epidemic prevention and response through training and providing essential communication facilities and resources at the community level, and

- evaluating a pilot study on insecticide-treated bednets, then disseminating and implementing lessons learned.

Polio/Expanded Program of Immunization (EPI)

- supporting polio eradication programs and strengthening routine EPI programs.

USAID will also promote integrated disease surveillance by strengthening the capacity of regional laboratories and linking them in an integrated surveillance system.

IR4: Health sector resources and systems improved.

In order to achieve a sustainable health service delivery system of acceptable quality and ensure accessibility and equity, the efficient and rational allocation and utilization of resources is essential. The Health Sector has been under-financed over the past 20 years and available resources have been inefficiently used. The involvement of the private sector and the community in health service delivery and its financing has been insignificant. Resources allocated to achieve IR4 will support GFDRE efforts to:

- mobilize and increase resources to the health sector particularly to PPHC, and
- promote equitable access to, and quality of, PPHC services through the support and implementation of HCF strategy.

Within the public sector system, health services management, logistics systems, IEC, monitoring and evaluation and health management information systems will be strengthened. Strengthening training institutions such as Public Health Training Institutes and Regional Training Centers will improve service delivery in a locally sustainable way. Increasing resources and improving the management of the health sector will have a direct impact on the access, quality and utilization of services, and consequently lead to better family health.

Illustrative activities to achieve IR4 include:

Health Care Financing

- implementing and monitoring of national health care financing strategy,
- building capacity in resources planning and budgeting,
- advocating for increased resources to the health sector,
- supporting the involvement of the private sector and NGOs in the delivery of health care services, and
- promoting community participation in health insurance schemes and revolving drug funds.

Management

- improving pre- and in-service training for health care providers,
- capacity building in monitoring, and reporting,
- strengthening management, logistics, and supervision systems,
- strengthening the capacity and quality of training institutions and centers,
- strengthening the capacity of regional laboratories and linking them in an integrated national surveillance system, and
- building capacity to develop multi-media IEC materials.

The ESHE SO will provide funding through the DG SO's IR3, "Public financial resources used more effectively." Support for the Civil Service Reform Program under DG IR3 will help the Regional Health Bureaus utilize new Ministry of Finance budget and accounting reforms. This support is also an input to the implementation of the Health Care Financing Strategy at the facility level. The ESHE SO will also contribute to strengthening the capacity of NGOs to deliver health care services through mechanisms managed under the DG SO IR1. These include Pact's work in creating an enabling environment and training and grants for capacity building.²⁴

3.4.6. Preliminary Performance Monitoring Plan

The performance measures for the ESHE Program/Project are the same indicators and targets initially approved in the 1995-2000 Country Strategic Plan, as they have evolved in subsequent R4s. These indicators and targets will be reported on at least through their completion in FY 2000 (or the FY 2003 R4). Reporting couple years of protection and policy environment for HIV/AIDS as measured by the Policy Environment Score (PES) nationally, will be continued under the new SO, thus affording the opportunity for trend analysis of USAID program impact over time. The DHS that was undertaken in 2000 will be the basis for most of the indicators under the SO. To measure impact, a second DHS is planned for 2005.

The health indicators related to Government allocations to health and PPHC will continue to be monitored by USAID/Ethiopia to permit trend analysis. However, given the gap between budget allocations and actual expenditures, USAID will report on health sector and primary and preventive health care expenditures as a percentage of total national expenditures as a more accurate indicator of performance.

The proposed performance measures for the new SO are presented in the table below, and will be further developed in consultation with USAID's partners over the next year. Reporting on the new SO framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 submitted in February 2002.

²⁴ PACT, a U.S. PVO, has a cooperative agreement with USAID to implement the Ethiopian Non-governmental Sector Enhancement Initiative.

ESHE-II SO Preliminary Performance Indicators

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
SO: Essential Services for Health in Ethiopia	SO Ind: Infant Mortality Rate in focus regions by gender	2000	Amhara: 112 SNNP: 113 Oromia: 116	Amhara: < 95 SNNP: < 95 Oromia: < 95
	SO Ind: Contraceptive Prevalence Rate nationally	2000	8.1	13.0
	SO Ind: HIV prevalence among young women (15-24) accessing antenatal care services in urban and peri-urban areas.	2000	TBD* National figure —	TBD
IR1: Use of high impact child survival interventions, including nutrition, in focus areas increased.	Ind. 1.1: Proportion of children (12-23 months) fully vaccinated in focus regions, by gender	2000	Amhara: 14.4 SNNP: 10.5 Oromia: 9.8	Amhara: >30 SNNP: >30 Oromia: >30
	Ind. 1.2: Percent of children 6-24 months of age receiving adequate complementary feeding in focus regions, by gender	2000	17%*	>30%
IR2: Use of select, high impact reproductive health interventions, including maternal feeding and dietary practices, increased nationally.	Ind. 2.1: CYPs generated through cooperating partners nationally.	2000	400,000	>900,000
	Ind. 2.2: Percent of deliveries attended by trained personnel in focus regions.	2000	Amhara: 5.8 SNNP: 9.4 Oromia: 8.7	Amhara: >15 SNNP: >20 Oromia: >20
IR3: Impact of HIV/AIDS and select infectious diseases in focus areas reduced.	Ind. 3.1: Increasingly favorable policy environment as measured by the Policy Environment Score (PES) nationally.	2000	55%	>70%
	Ind. 3.2: Increased regular condom use among men in the most recent sexual act with a non-regular sex partner in focus urban and peri-urban areas.	2000	TBD*	TBD

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
IR4: Health sector resources and systems improved.	Ind. 4.1: Percentage of health sector and PPHC expenditures nationally.	2000	Health sector: 6.2% PPHC 50%	Health sector: 8% PPHC >60
	IR 4.2: Availability of drugs at health facilities in focus facilities improved.	2001	TBD	TBD
MED SO Result: 4.1 *	Shared indicator: Percent children 6-24 months of age receiving adequate complementary feeding in focus regions.	2000	17%	50%

* As nutrition is a major component of the new strategy, an indicator from one of the Intermediate Results of strategic objective *mitigate effects of disaster* (MED SO) has been included. Appropriate child feeding mitigates malnutrition. Addressing this issue nationally would require a more comprehensive child survival program, integrating Title II resources and buying into suitable global mechanisms that can effectively implement nutrition activities at a countrywide level. The ESHE-II and MED SO teams are collaborating to develop a Sentinel Surveillance system that would provide timely information on nutrition trends in common focus areas.

3.5. LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES

Nutrition: The ESHE-II SO team is the Mission's leader in the area of nutrition, and its IR1 relates directly to improving the nutritional status of mothers and children. Activities include promotion of optimal breast-feeding practices, adequate complementary feeding, and provision of vitamin A, iron, and iodized oil capsules to children and mothers. More generally, this SO will continue to support programs for immunization, parasite control (malaria), and environmental sanitation.

The nutrition coordinating team lead by the ESHE-II Office and comprising representatives from each office, is responsible for ensuring that the SO teams give proper emphasis and focus to nutrition activities. The team will review nutrition activities advising on adjustment to programs.

Capacity Building: Capacity building is a critical element for achieving sustainable health care. The SO will fund training, commodity procurement, and technical assistance at the national and focus region levels to strengthen the Government's capacity to plan quality health services, mobilize resources and deliver services. The training is geared towards human resource development and strengthening the institutions that produce primary care providers and health managers. Capacity building of NGOs will also continue to be a focus under the ESHE-II SO. This is expected to have spillover effect in the private sector.

HIV/AIDS: The spread of HIV/AIDS is a major development crisis affecting all sectors, which requires a response involving all sectors. USAID Ethiopia is committed to addressing the impact of HIV/AIDS in all five of its strategic objectives and its special objective, acknowledging that the only way to halt the epidemic is to have a coordinated response in the prevention and mitigation of the disease. The ESHE-II SO team will also take the lead in assuring that HIV/AIDS is well integrated across all other SO programs. An HIV coordinating body has been formed with participation from each SO. A working document has been drafted that clearly outlines the contribution and areas of collaboration under each strategic objective. Each SO will measure the HIV contribution within their results framework. Regular meetings and joint field visits will take place to ensure maximum interaction and transfer of lessons learned from one sector to the other.

Integration of DA and Title II Resources: To further support the integration of Title II, the SO team and Title II Cooperating Sponsors developed a list of interventions to support the nutrition goals of the Mission. The expanded team agreed to monitor and report on joint indicators for selected activities in selected focus regions. The team also discussed assistance mechanisms to enhance such integration. In the next fiscal year, the SO team will work with the Cooperating Sponsors to better integrate nutrition activities into their current programs.

The SO will provide funds and technical assistance to those affected by drought and the recent war with Eritrea. USAID will provide SO funding and other assistance to strengthen the health care systems in affected areas and to assist the MOH to provide vulnerable populations with appropriate services. SO resources will provide a comprehensive HIV/AIDS care package that will increase awareness, reduce high-risk behaviors and allow individuals to adequately protect themselves.

3.6. OTHER DEVELOPMENT PARTNERS AND COORDINATION MECHANISMS

Following USAID's global leadership in the health sector, USAID/Ethiopia has been the lead agency in Ethiopia in the areas of health care financing, child survival, and reproductive health, and has played a leading role in advocacy for HIV/AIDS programs. USAID will continue its leadership in these areas and expects to lead a donor group in nutrition.

Many development partners are now tailoring their interventions to GFDRE priorities as outlined in the HSDP. Health sector partners coordinate activities closely, in order to maximize available resources. The donors realize the importance of this collaboration, and USAID expects to continue and be strengthened during the strategy period. This is especially important for HIV/AIDS resources, which are increasing significantly. The leadership role played by USAID in contraceptive security is expected to serve as a catalyst to the involvement of other donors.

UN and International Organization activities in this sector are described below.

Agency	Activity	Funding	Timeframe
United Nations Children's Fund (UNICEF)	EPI, safe motherhood, control of communicable diseases, general nutrition and HIV/AIDS prevention	\$13.7M	Last three years
		\$8.5M	Next two years
UN World Health Organization (WHO)	communicable disease control, water and sanitation, and support to strengthen local health training institutes	\$4M	Last three years
		\$2.8M	Next two years
United Nations Development Fund (UNDP)	expand and rehabilitate primary health care delivery units, supports a health information system, and strengthens the quality of health delivery through human resource development.	\$5.2 M	Last three years
		\$1.1 M	Next year
United Nations Family Planning Agency (UNFPA)	reproductive health/family planning programs, the Demographic Health Survey, and HIV prevention education through the public education system		
African Development Fund	Primary health care facility construction in Oromia, Amhara and the SNNPR	\$40M (loan)	HSDP period
The World Bank	HSDP support, mainly facility construction	\$100M (loan)	HSDP period
	HIV/AIDS prevention	\$62M (loan)	Next three years

Bilateral mission activities in this sector are described below.

Mission	Activity	Funding	Timeframe
Austrian Development Agency	Rehabilitation and expansion of health facilities and human resources development in Somali Region	\$1.8M	Last three years
		\$1.2M	Next two years
German Technical Asst. (GTZ)	Reproductive health in Amhara Region	\$4.8M	Last three years
		\$2M	Next fiscal year
Italian Cooperation Office	TB and malaria control, hospital management in Oromia region, and the construction of new health centers in Oromia, Tigray and Wolo Regions	\$6M	Last three years

Mission	Activity	Funding	Timeframe
Irish Aid	water and sanitation, training of community health workers nationwide, with a focus on the SNNPR and Tigray Regions	\$7.3M	Last three years
		\$4.8M	Next two years
JICA (Japan)	provision of vaccines and medicines for reproductive health and child survival purposes and the cold chain nationwide	\$1.3 M	Last three years
The Netherlands	human resources development, water and sanitation, pharmaceutical provision, and HIV prevention	\$12.9M	Last three years
Swedish SIDA	Training of midwives and other health personnel, HIV control and prevention activities, and IEC and materials development	\$7.5M	Last three years
		\$4.8 M	Next two years

Responsibility for coordination and oversight of the HSDP including coordination of relevant donor assisted programs is entrusted to the Central Joint Steering Committee (CJSC) supported by Regional Joint Steering committees established within each region. The Ministry of Health/Program Planning Department (MOH/PPD) acts as a secretariat to the CJSC and the Minister responsible for Social Affairs in the Prime Minister's Office serves as the chairperson. Other members include Ministers of Finance, Economic Development and Cooperation, Health, and Education and three donor representatives. USAID/Ethiopia, through the Mission Director, is represented in the CJSC. To date the CJSC has been effective in bringing issues related to the Sectoral Development Programs (SDPs) to the table. Regional Joint Steering Committees (RJSC) play a major role in the oversight of regional HSDP, including all donor inputs for the regional program. While the SO team is not a member of any of the RJSCs at this time, it is envisioned that representation in the focus regions will take place.

A mechanism to share information and coordinate donor inputs has also been established by the Government under the SDPs. The Minister of Health chairs a monthly consultation meeting in which the Ministry and donors exchange information. These meetings have created a valuable forum for information exchange.

Two donor groups are currently functioning effectively outside of the Government structure: the Health/Population/Nutrition Donor group which brings together all the donors in the health sector; and a broader donor coordinating body that brings together the donors involved in the HSDP and Education Sector Development Programs.

4. BASIC EDUCATION STRATEGIC OBJECTIVE

4.1. DEVELOPMENT CHALLENGE

The educational indicators for Ethiopia confirm that the challenge remains large. At the primary level, there are nearly 6 million students (37.8% girls) and only 112,405 teachers (27.8% women). Although access has risen dramatically in the past few years, (from 24.4% in 1994 to 45.8% in 1998) it remains well below the average for sub-Saharan Africa. Nationally, repetition and dropout rates remain high. Repetition averages 12.5% across all primary grades. The dropout rate averages 15.2%. In 1998/99, the gross enrollment rate for primary education nationally for boys and girls was 56% and 35% respectively. The repetition rate for the same year was 13% for girls and 10% for boys. Despite improvements in the last five years, gender equity in schooling continues to be a challenge.²⁵

A large number of teachers lack sufficient training. With the recent introduction of a diploma requirement for teachers in the second cycle (grades 5-8), approximately 70% of the teachers at that level are under-qualified. The training of teachers does not yet reflect recent changes in the primary curriculum content, or the reorganized system of primary education. There are now 11 languages used at the primary level in the Southern Nations Nationalities and Peoples Region (SNNPR) alone. Authoring, printing and distributing textbooks and other education materials in the different languages will continue to be a daunting task.

4.2. GFDRE RESPONSE TO THE CHALLENGE

The GFDRE, Education and Training Policy (April 1994) devolved authority for primary education from the federal authorities. The central Government retained responsibility for managing higher institutions of learning, setting standards for school construction, setting national examinations, and providing technical support to regions on request. Regional governments are now responsible for planning, implementing and monitoring primary education activities including curriculum development, teacher recruiting, training and deployment, and school construction and maintenance. At the local level, schools are managed by elected committees comprising representatives of the *kebele* (local) administration, the school leadership, the Ethiopian Teachers Association, students, and relevant grassroots organizations. This committee is responsible for general oversight of the school, including approval of school plans, management of community generated funds, financial bookkeeping, and monitoring school discipline.

A comprehensive national Education Sector Development Program (ESDP) was established in 1997. This program sets priorities and directions for the development of

²⁵ For further details on gender analysis please see Annex 6

the education system in the country, and aims *to improve overall educational attainment of the population while achieving greater social equity and achieving universal basic education by 2015*. The first phase (ESDP-I) covers the school years 1997-2002, and some progress has already been achieved. (For details see Annex 2.2) Access to primary education has increased, although high dropout rates continue. Public expenditure on education has been rising, as well as cost sharing at the tertiary level for extension and distance courses. The Government has made primary education free for all, and has continued to protect the sector from large budget reductions, even under existing difficult circumstances. More than 90% of first cycle teachers now have the required certificates, but teacher student ratios are still too high. Access to educational facilities for disadvantaged students, including girls, remains limited.

The rapid growth in enrollment and its impact on the availability of educational inputs, as well as on student achievement and other progress indicators, has brought the issue of quality to the forefront. Progress reports and the donor-Government Joint Review Missions for the ESDP highlighted the seriousness of the issue, and the challenge is now acknowledged by the Government. For the duration of this ISP, USAID's future education assistance will continue to make capacity building the central theme of its support to improve the quality and equity of the primary education system.

4.3. PRIOR USAID ASSISTANCE TO BASIC EDUCATION IN ETHIOPIA

In 1994, USAID responded to the ESDP with the seven-year, Basic Education Systems Overhaul program and project (BESO, Nos. 663-0014 and 663-0015). As of August 2000 USAID had authorized \$49.3 million in project assistance and \$31 million in NPA, for a total of \$80.3 million. The goal of BESO-I²⁶ was *to improve the quality and equity of primary education in an expanded (and expanding) primary education system*. IRs included:

- improved quality and equity of primary school environment,
- increased effectiveness of educational materials,
- improved performance and equity of teacher training graduates,
- improved decentralized management of primary education, and
- increased and more rational and efficient sectoral financing.

About 80% of the initial obligated project assistance was targeted to the regional level in focus regions of Tigray and SNNPR, and about 20% to the national level. Non-project assistance (NPA) was provided to the national level to ensure that central policies and resources were mobilized to support schools and support institutions.²⁷

²⁶ For clarity, the acronym "BESO-I" is used for assistance from 29 September 1994 to 31 December 2001 under the original BESO PA/NPA assistance and "BESO-II" – for Basic Education Strategic Objective – II" for activities under the new strategy, with implementation anticipated from on or about October 2001 through September 2006.

²⁷ The disbursement of NPA was suspended in 1999 due to the border conflict.

BESO-I achievements to date have been significant:²⁸

- Access for all students and equity for girls increased significantly in Tigray.
- Textbook student ratios improved in Tigray and SNNPR.
- 75% of the primary schools in Tigray (approximately 600) participated in a program designed to stimulate community involvement.
- About 28% of the schools in SNNPR formed Girls' Schooling Committees and strengthened school oversight committees.
- Tigray completed curriculum development in all eight grades, and produced necessary texts and complementary interactive radio programs.
- SNNPR, with nine out of an originally planned eleven national languages of instruction currently in use, completed a first round of textbooks.
- USAID provided capacity building assistance to Teacher Training Institutes (TTI) and Teacher Training Colleges (TTC) in its focus regions, including TA, equipment, and training.
- In Tigray and SNNPR, BESO-I piloted the Government's "cluster" in-service training approach.

On a national level, USAID has provided significant assistance to develop and implement a major distance education program to upgrade 17,000 teachers nationwide from certificate to the diploma level necessary for second cycle teaching. The Ministry of Education (MOE) and regions will have incorporated this program into their planning and budget by the end of BESO-I.

In Tigray and SNNPR, and to a lesser extent nationally, BESO-I made significant progress in planning, monitoring, evaluation, and administrative management of educational systems. At the central level, USAID assistance developed a popular "What If?" computer projection model. Counterparts in focus regions took the model further, providing real-time data for planning and monitoring purposes. USAID assisted the Tigray Regional Education Bureau to develop an automated materials management system and computerize its teacher salaries, so that the 8,000 teachers are now paid on time. Finally, USAID/BESO-I financed a number of policy studies, including such topics as girl's retention, "best practices" in education, and teacher career ladders, that have informed national strategies and planning.

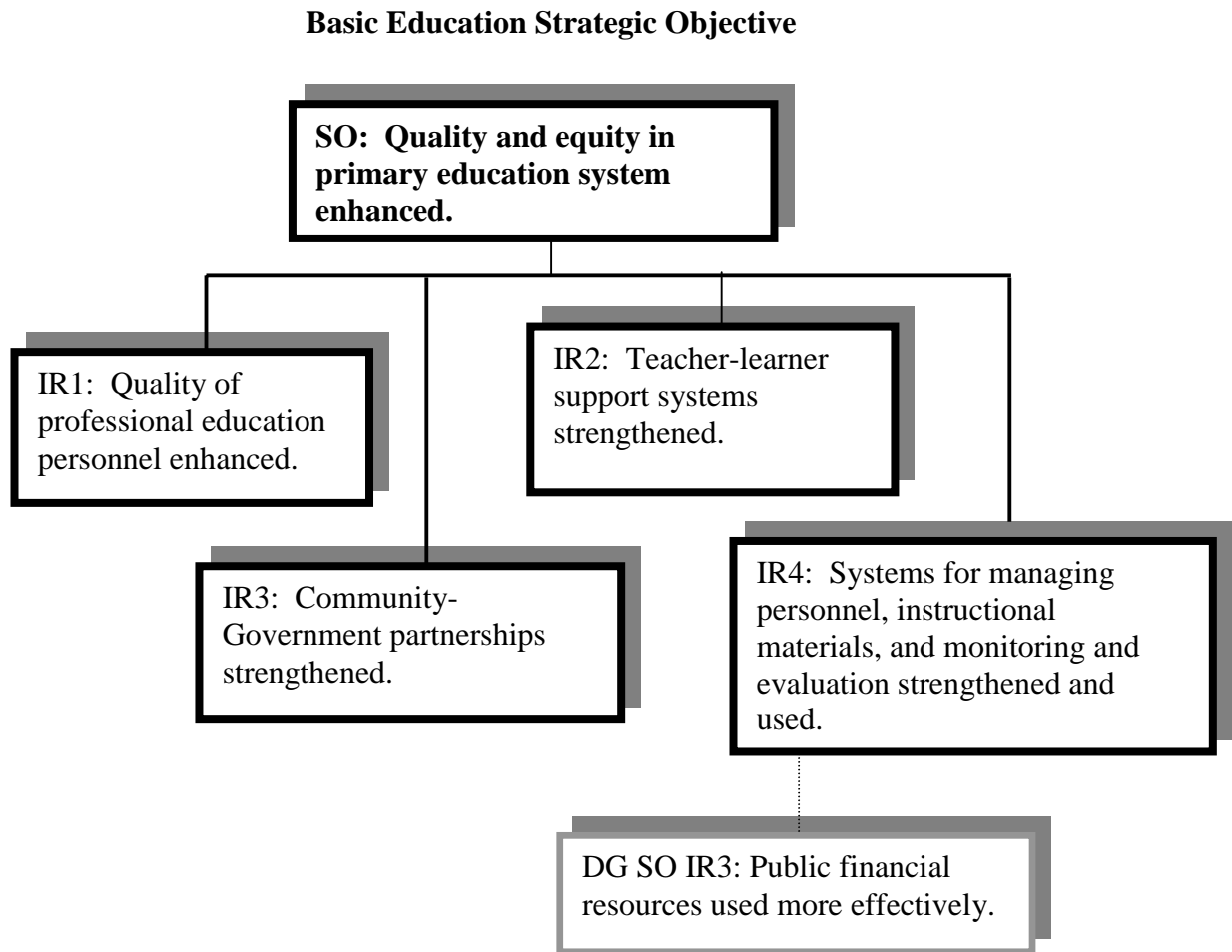
4.4. BE SO RESULTS FRAMEWORK AND KEY PARAMETERS

4.4.1. BE SO Results Framework

In this ISP, the Mission is building on the experience and lessons learned in BESO-I to achieve more focused impact in the future BESO-II plan period. The SO statement is

²⁸ For further information on BESO-I achievements, readers are encouraged to refer to the "BESO Bulletin" edited by Aberra Makonnen of USAID/Ethiopia; the Cameron S. Bonner report "BESO Revisited" of October 1999; the CRI, et. al. Mid-Term Assessment of August 1998; and numerous other documents available at www.dec.org.

quality and equity in primary education system enhanced. The results framework is presented graphically in the figure below.



To achieve these results, the BE SO will:

- strengthen the technical skills of 45,000 teacher trainees (over 30% female) and 800-1,000 instructors at 18 regionally managed teacher training institutions throughout the country,
- support hundreds of staff at all 11 Regional Education Bureaus (REBs) for pre-service teacher training, supplementary media development, and systems support activities, and
- support more than 50,000 teachers, and school management committees for in-service teacher training, media and curriculum development, and strengthening community-Government partnerships.

Modest assistance will be provided to selected national institutions that provide critical support to the decentralized entities, i.e. the Educational Media Agency (EMA), the National Office of Examinations (NOE), and the Ministry of Education's Projects and Planning Department.

Nation-wide replication of programs requires a wide geographical coverage for pilot projects (please see section 4.4.3 for further details). The BESO-II priority regions are (in alphabetical order): Afar, Amhara, Oromia, SNNPR, Somali, and Tigray. These regions were selected based on a review of data on educational quality and equity plus consideration of the following criteria:

- demonstrated interest in and commitment to BESO-II objectives,
- lack of other major donor involvement,
- potential to promote synergy in USAID's overall Ethiopia program,
- existing partnerships between U.S.-based and Ethiopian NGOs, and
- potential for increasing access to education for disadvantaged children.

The new strategic plan was developed within the context of the ESDP and other design parameters to assure that USAID's resources would achieve maximum results. The new strategic framework was developed with the BESO Technical Working Group. It benefited from consultations with USAID/Washington team members, and from discussions with Regional Education Bureau personnel and other key informants in Tigray and SNNPR, and selected international donors.

4.4.2. Program Rationale and Convergence with GFDRE Policies and Plans

USAID developed a strong partnership with the GFDRE at the central level and in the two target regions over the seven-year life of BESO-I. USAID's commitment to the ESDP is for its duration of 20 years. USAID will build on documented success at both the national and regional levels, for the "second generation" objectives.

The Government's ESDP anticipates a gross enrollment rate of 50% nationally by 2002, an increase of over 2 million pupils in five years. Experience suggests that rapid enrollment can result in a decline of quality. The last three years have seen a decline in the per student expenditure at the primary level, and the last two Donor-Government Joint Reviews highlighted increased repetition and dropout rates in primary schools, especially for girls. These findings emphasize the need to improve the quality of teacher development, particularly given the introduction of the new integrated primary education curriculum, and the need for more support to schools.

All regions are highly committed to improving the quality of teachers, and to addressing the related issues. The curriculum of the teacher training institutions needs to be revised to address the new primary school curriculum. Grades 1-4 teacher training must conform to the new curriculum, including self-contained class teaching and interactive learning. A coherent flow between training for grades 1-4 and 5-8 teachers must also be ensured. District level capacity for support must be developed. The next years will see increased focus and efforts on the part of both donors and the Government to address these issues and improve the quality of education.

As the second largest donor to the ESDP (the World Bank is the first at \$100 million), and its elected donor-coordinator, USAID is in close contact with the Ministry of Education. USAID expects to be in close agreement with the MOE in most matters as the programs unfold.

4.4.3. Critical Assumptions and BESO-I Lessons Learned

BESO-II strategy is based on three critical assumptions:

- The GFDRE will fulfill its commitment of financing 72% of the ESDP, once the economy has recovered sufficiently from the conflict.
- The social sectors, especially education, will remain priority sectors. Primary education will remain the paramount priority, with about 65% of the education budget.
- The donor community will renew pledges to the ESDP during 2001 so that planned funding is available and ESDP activities can move ahead.

Four important lessons learned from BESO-I informed the BESO-II selection of activities and strategic management design:

- The GFDRE and regional offices are strongly committed to the ESDP goals, objectives, and implementation modes. USAID must ensure that BESO-II adheres closely to ESDP as it evolves.
- The GFDRE and regional offices value transparency and consider it a prerequisite to any effective partnership. USAID, and its future implementing agencies, must respect this to avoid misunderstandings and ensure smooth implementation.
- A tighter strategic focus will mitigate fragmentation of efforts and assure that resources deployed lead to desired results. USAID will work in fewer sub-sectors/systems, focusing essentially on teachers and the school environment, to achieve greater impact.
- Due to the wide variation in regional factors, successful pilot activities need to be undertaken in five-to-six regions (or about half) in order to position an activity for national replication and/or impact. Under BESO-II, USAID will support site-based activities in six priority regions to ensure that potential for nation-wide application is demonstrated.

4.4.4. BESO-II Intermediate Results: Rationale, Assumptions, and Illustrative Activities

**IR1:
Quality of professional
education
personnel enhanced.**

Teacher preparation is central to the quality of instruction and learning. There is a need to enhance the role of the teacher as a reflective thinker and practitioner within the school environment and improve the support services to teachers in schools. Constraints include inadequate staff and trainee

recruitment; low staff capacity; inadequate curriculum and instructional methods; and poor relations with communities.

By the end of BESO-II, the use of interactive, student centered methodology by instructors in target TTCs and TTIs will be increased by 30%; the use of active, child-centered methodology by teachers in the selected regions and zones will be increased by 30%; and the percentage of female teacher trainees in target training institutions will be increased by 15%.

Illustrative activities to achieve IR1 focus on pre-service and in-service training and include:

- promoting and strengthening linkages between higher institutions in the U.S. and Ethiopia,
- strengthening instructional resource centers in the TTIs and TTCs,
- strengthening relationships among the TTIs and TTCs and the development of an Association of Teacher Training Institutions,
- developing support systems for women teacher trainees,
- developing and delivery of a self-instructional in-service training program,
- supporting summer training courses, and
- developing the Department of Primary Education at Addis Ababa University.

USAID will continue its policy dialogue with the Government on teacher development. Agenda items will include: improving the status of first cycle (grades 1-4) teachers; incentives for non-diploma continuing education; allowing teacher training facilities to earn funds for facility improvement without budget offsets; and maximizing investment in teacher training.

**IR2:
Teacher-learner support
systems strengthened.**

USAID's support to enhancing the quality of professional education personnel will be enhanced by strengthening teacher-learner support systems. Graduates from TTIs and TTCs frequently find themselves assigned to schools with no desks, chairs,

or even chalkboards. Schools that do have basic furniture frequently have no funds for non-salary recurrent costs necessary to cover teaching aids, and teachers fall back on the old "chalk and talk" approach to learning. It is not a supportive environment for teachers or learners.

In the final year of BESO-I, support will continue the development of supplementary readers and interactive radio programs. Through the PVO-managed community school grants programs in Tigray and SNNPR, schools will establish pedagogical centers and "cluster resource centers." Regional Education Bureaus (REBs) will increase access to materials by improving textbook production and distribution systems.

BESO-II will continue these efforts on a broader scale in the six priority regions, with the aim of covering one-half of all teachers and schools in Ethiopia. At the end of BESO-II:

the percent of schools in selected zones/regions using interactive radio in grades 1-4 will increase by 50%; and the percent of schools in selected zones/regions that have increased their expenditures for non-salary recurrent costs in the past school year will increase by 30%.

Illustrative activities to achieve IR2 include:

- strengthening capacity to develop interactive radio instructional modules in English, math, and other subjects,
- improving teacher in-service training through the “cluster” model and strengthening Cluster Resource Centers,
- promoting linkages between regional women's associations and women teachers, and/or development of a women teachers association,
- developing syllabi and materials in critical areas such as HIV/AIDS, nutrition, family planning, etc., and
- providing short-courses by Ethiopian women for women teachers on topics of special interest, e.g. headmaster/supervisor relations; coping with the fear of abduction; etc.

USAID will also continue its policy dialogue with the Government on teacher-learner support systems. Agenda items will include: the need for the GFDRE to liberalize the information and communications regulatory framework to permit entry of private Internet service providers into the marketplace; and the need for the GFDRE and the regions to regularize its approach to intellectual property rights so that authors have copyright protection when publishing.

**IR3:
Community-Government
partnerships strengthened.**

Lack of capacity at the zonal and district levels, coupled with inadequate resources from the regions, make it difficult for the Government to adequately address many equity and gender issues. Given the ambitious plans of the ESDP and the paucity of resources, communities may increasingly have to take on new roles if their children are to participate in a quality education. Experience suggests that policies and instructional inputs are necessary, but by themselves they do not transform the process of teaching and learning in school and classrooms. The components of the systems come together within the school, through the teachers in their interactions with each other and the students, and through the actions of the school head, to determine the quality of teaching and learning.

Under BESO-II, USAID will work with U.S. and Ethiopian PVO/NGOs to increase support to community-Government partnerships in education. Working in selected zones in the six priority regions, activities will increase by 20% the number of schools with reduced female dropout rates in grades 1-4, and increase by 80% the percent of school committees that actively enhance the quality and equity of the learning environment.

Illustrative activities to achieve IR3 include:

- strengthening school committees and local level capacities,
- community outreach in support of education,
- promoting gender equity, such as campaigns against abduction, early marriage and female circumcision,
- developing alternative systems for children in disadvantaged circumstances, e.g. flexible timetables, and recruitment of paraprofessional teachers from within the community, and
- strengthening the HIV/AIDS awareness efforts of school clubs.

As a leading donor to the Education Sector Development Program, USAID will continue a policy dialogue with the Government on teacher-learner support systems, with agenda items such as:

- regional harmonization of treatment of school-generated revenues in the annual regional education budget,
- accounting and retention of school revenues and community contributions, and
- numerous issues regarding non-governmental and alternative schooling, ranging from tax status to grade equivalencies.

**IR4:
Systems for managing personnel,
instructional materials, and
monitoring & evaluation
strengthened and used.**

The devolution of authority for primary and secondary education in 1994-1995 required a massive administrative and management shift from the center to the regions. The ESDP emphasizes capacity building at the regional level, for which USAID has provided

significant assistance in Tigray and SNNPR under BESO-I. Under BESO-II, support to systems development will be more limited and will tightly focus on specific problem areas: personnel administration, distribution and logistics of textbooks and materials, and planning, monitoring and evaluation. At the end of BESO-II: at least 8 out of the 11 regional bureaus will implement improved personnel management systems; and all regions will utilize the new Ministry of Finance budgeting and accounting systems.

Illustrative activities to achieve IR4 include TA and training to:

- develop automated systems to plan and manage human resources,
- distribute textbooks and materials in a timely and cost-effective manner,
- improve monitoring and evaluation systems to track educational system effectiveness, and
- strengthen policy review and formulation mechanisms through relevant studies and disseminate the findings through media, workshops and seminars.

The BE SO will provide funding through the DG SO's IR3, "Public financial resources used more effectively." Support for the Civil Service Reform Program under DG IR3 will help the Regional Education Bureaus utilize new Ministry of Finance budget and

accounting reforms. The BE SO will also contribute to strengthening the capacity of NGOs to deliver education services through mechanisms managed under the DG SO IR1. These include Pact's work in creating an enabling environment and training and grants for capacity building.

USAID will pursue a policy dialogue with the GFDRE on topics related to administrative and management support systems. Key among these are the need to maintain a harmonized set of "core" data points among regions so that educational performance can be measured on an interregional and national basis; and the need for regions to adopt the national reforms so that recurrent costs are appropriately captured in forward planning and budgeting.

4.4.5. Preliminary Performance Monitoring Plan

The performance measures for BESO-I are the approved indicators and targets initially approved with the 1995-2000 Country Strategic Plan, as they have evolved in subsequent R4s. These indicators and targets will be reported on through their completion in FY 2000 (or the FY 2003 R4). Reporting on GER and dropout rates for grades 1-4 will be continued under BESO-II, affording opportunity for trend analysis.

BESO-I indicators related to national budget shares devoted to primary education will continue to be monitored by USAID/Ethiopia, permitting trend analysis. Because BESO-II will not influence such trends in the absence of NPA, these indicators will not be retained as USAID program performance measures unless NPA becomes available.

The proposed performance measures for BESO-II are presented in the table below, and will be further developed in consultation with USAID's partners over the next year. USAID/Ethiopia's reporting on the new BESO-II framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 prepared in February 2002.

BESO-II Preliminary Performance Indicators

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
SO: Quality and equity in primary education system enhanced.	SO Ind 1: Gross enrollment ratio in grades 1-4 nationally, by gender.	1998-1999	Total = 70.2 Boys = 85.5 Girls = 54.3	Total = 77.3 Boys = 92.5 Girls = 64.8
	SO Ind 2: Reduced dropout rate in grades 1-4 nationally, by gender.	1998-1999	Boys=11% Girls=16%	Decrease by 5% per year

		Baseline		
IR1: Quality of professional education personnel enhanced.	Ind. 1.1 Percent of active learning methodology used in TTC/TTIs nationally.	1999-2000	20%	30% increase over baseline
	Ind. 1.2: Percent of TTI and TTC graduates scoring above 2.75 GPA (out of 4), by gender	1999-2000	Boys=20% Girls=5%	30% increase over baseline
	Ind. 1.3 Percent of teachers in selected zones who use child-centered/active learning methodology regularly.	1999-2000	10%	15% increase over baseline
IR2: Teacher-learner support systems strengthened.	Ind. 2.1: Percent of schools in selected zones that are using interactive radio in an active-learning mode in grades 1-4.	1999-2000	0	50% of schools in selected zones
IR3: Community-Government partnerships in education strengthened.	Ind. 3.1 Percent of schools in selected zones that reduced to below national average the female dropout rate in grades 1-4.	1999-2000	TBD	20% increase over baseline
	Ind. 3.2 Percentage of school committees that actively enhance the quality and equity of the learning environment.	1999-2000	20%	80% increase over baseline
IR4: Systems for managing personnel, instructional materials, budgeting, and monitoring and evaluation strengthened and used.	Ind. 4.1 Number of regions utilizing improved personnel management systems.	1999-2000	1	8
	Ind. 4.2 Number of regions utilizing new Ministry of Finance reformed budgeting and accounting systems.	1999-2000	0	11

4.5. LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES

Nutrition: Data from Ethiopia's 2000 DHS show that nationally over 52% of children under 5 years of age are stunted, these percentages decrease in relation to the educational status of mothers: The long-term value of education, particularly for girls, to improved

nutrition for future generations cannot be overstated.²⁹ USAID will address family nutrition issues through community-Government partnerships in education. Because the most critical time for correct nutrition is before primary school, in the 0-5 year age cohort, these community-wide approaches are considered most appropriate for addressing the problem.

Capacity Building: BESO-II decentralizes funding, with about 65% of resources at the community, school, and "cluster" levels. At each point of entry, activities will stress building human capacity through education and training, and building institutional capacity to ensure that activities are sustained over time. A major emphasis of BESO-II will be on pre-service and in-service training for teachers. The human capacity building of current and the future generations, is BESO-II's greatest contribution to Ethiopia's near term development. A number of decentralized institutions will benefit from institutional capacity building inputs, including TTIs and TTCs; Regional Education Bureaus; zonal and district education offices; school headmasters; and school committees. USAID will support key central agencies such as the Education Media Agency and the National Office of Examinations. Support to policy and planning at the Ministry of Education will continue on a topic-specific basis, with attention to clarifying roles and responsibilities at the central and regional levels.

HIV/AIDS: The new primary school curriculum includes general attention to HIV/AIDS as early as grade 2, and covers modes of transmission and prevention in some depth in grades 7 and 8. USAID will support the development of supplementary materials (readers, radio modules, and audio tapes) and broader community awareness activities based around the school (AIDS Days, theater, song, and other events) to ensure that students and teachers are aware of transmission, prevention, and consequences. This work will be carried out in close collaboration with USAID's ESHE-II team and with relevant regional HIV/AIDS boards and associations. BESO-II will ensure that condoms are readily available at all TTIs and TTCs nationwide. Social marketing condoms by trained students in dormitories may increase supply as well as provide income for needy students.

Integration of Title II Resources: Title II resources are not a critical resource necessary to achieve BESO-II results. In the event that a school feeding program is approved by the GFDRE and implemented, BESO-II will work with implementing agencies in priority regions to optimize use of Title II resources for educational purposes.

4.6. OTHER DEVELOPMENT PARTNERS

USAID plays a leading role in the donor community that has supported ESDP. In the early years of ESDP, 12 active donors supported the program. The Donor Group for ESDP (DG/ESDP) was formed in January 1998 to:

- Encourage exchange of information on donor support to the sector.

²⁹ 48.8% of those whose mother had primary education and 32.5% of those whose mother went to secondary school are stunted.

- Provide a focal point for addressing donor related coordination issues in the ESDP.
- Establish and be responsive to donor related Government priorities.

All donors but five reduced or suspended assistance due to the conflict with Eritrea, leaving only the World Bank, USAID, Irish Aid, the Germans, and the UN group as active supporters. Anticipating a peace agreement, several donors have renewed planning to again support basic education.

Membership of the DG/ESDP is open to all multilateral and bilateral funding agencies involved in education. USAID has always been a member of the Secretariat, and is currently the Chair. In early 1998, the group completed an exhaustive "donor mapping" for the education sector that provides detailed information on types, levels, and locations of donor support. Creating a new donor map will be a key activity during FY 2001. The group has also undertaken annual Joint Review Missions with the Government, which are characterized by frank and open discussion. The group is now collaborating with the Government on the terms of reference for a potential ESDP mid-term review. It is likely that this review will be undertaken with a view toward re-assessing and realigning donor resources to address renewed emphasis on educational quality.

The ESDP program is divided into capital and recurrent components. The World Bank, African Development Bank, European Union, German-KfW and Japanese Aid have been the primary sources of funding for capital components, notably school and TTI/TTC construction. The World Bank also supports the ESDP secretariat at the Ministry. Irish and Norwegian aid finance some construction in their target regions.

USAID, the UN agencies (UNICEF, UNESCO), the British (DfID and Council), the Germans-GTZ, Swedish SIDA, and Irish Aid have been the primary sources of funding for recurrent components. USAID has worked closely with those agencies that are still involved, and all endorse USAID's intent to build on its successes to date and increase focus on teacher training and the school environment under BESO-II.

5. RURAL HOUSEHOLD PRODUCTION AND PRODUCTIVITY INCREASED STRATEGIC OBJECTIVE

5.1. DEVELOPMENT CHALLENGE

Ethiopia has not been able to meet its own food needs since the drought of 1984, and nutritional standards have been falling steadily ever since. While 85% of Ethiopians derive their livelihoods directly from agriculture, an estimated 40% of rural households do not produce enough food or income to meet their basic nutritional needs. Reasons include inefficient agricultural practices, declining soil fertility, recurrent drought, poor water conservation practices, limited access to land, insecure land tenure, limited non-farm income opportunities³⁰, inefficient agricultural markets, and policy constraints. These conditions are particularly acute in the arid and semi-arid zones, where the majority of Ethiopia's roughly 16 million food insecure citizens reside, and in Amhara where the food insecure population is estimated at 6.2 million people. The 2000 Ethiopian DHS reports that over 52% of children under the age of five in rural areas are stunted. Stunting is most broadly prevalent in Amhara, where it affects 57% of all children under the age of five.

Stunting among rural children was reported as early as 1959, and the situation has progressively worsened over the past 40 years. Given the magnitude of the problem, it will take long-term focus and commitment on the part of the GFDRE and donors if rural household food production systems and dietary habits are to be changed. In the absence of such commitment, Ethiopia will be unable to even maintain the present nutritional status of its growing population, much less improve it.

The long-standing dependency of the food insecure population on food aid must be broken. This will require a paradigm shift in Ethiopia's rural economy, one in which the rural population must be empowered to take responsibility for its own well being. Such a change in attitudes and practices, one of the keys to improving the present situation, will require long-term focus and persistent effort.

5.2. GFDRE RESPONSE TO CHALLENGE

The GFDRE emphasizes rural and agricultural development as the primary means of achieving both national and household food security. The National Food Security Strategy (NFSS), developed in 1996, has three components. The first component increases food availability through policies that promote food production and strengthen

³⁰ Most rural households derive the majority of their income from the consumption and sale of food crops. However, in marginal areas households with inadequate landholdings must rely upon other sources of income to improve their food security. For these households cash crop, micro-enterprise and off-farm employment activities are essential to increase income and improve food security.

the marketing sector. This is complemented by promoting the use of fertilizer and improved seed, rural road construction and rehabilitation, and the development of a market information system. To address this part of the strategy, the GFDRE has embarked on an ambitious program of agricultural intensification to increase productivity in the high potential agricultural areas of the country. National development programs, including the GFDRE National Extension Program are addressing the first component of the NFSS. However, less effort has been invested in increasing production or productivity in the chronically food insecure areas.

The second component of the NFSS focuses on increasing access to food in the chronically vulnerable and drought prone areas by building the resource base of poor rural households and increasing employment and income opportunities in both rural and urban areas. The National Food Security Program (NFSP) based on the second component of the NFSS, builds upon regional food security programs. The overall objective is to increase access to food for the most vulnerable populations in the four major regions (Amhara, Oromia, Southern Nations, and Tigray), with specific geographic focus on the chronically food insecure districts of these regions. The NFSP seeks to increase food and cash crop production, improve livestock productivity, expand small-scale irrigation, increase the sustainable use of the natural resource base, develop rural infrastructure and markets, increase off-farm and non-farm income, improve nutrition, increase potable water supply, and build institutional capacity to address food security concerns.

The third component of the NFSS provides targeted transfers to selected households with special needs. The special needs of pastoral areas are addressed through a separate set of activities. The third component of the NFSS, which includes a focus on disaster preparedness, response and mitigation, is being addressed by the Mission's MED SO.

5.3. PRIOR USAID EXPERIENCE IN RURAL HOUSEHOLD PRODUCTION AND PRODUCTIVITY IN ETHIOPIA

The Mission's previous country strategy for 1995-2000 included the SO, *increased availability of domestically produced food grains*. Overall SO performance was uneven, due in part to the inability of USAID and the GFDRE to reach agreement on a major bilateral agriculture and food security program. However, achievements toward the IR *increased efficiency of agricultural markets* were encouraging. Due in part to USAID's efforts, the GFDRE removed the last fertilizer price controls in February 1998. The Mission's private sector development activities promoted more efficient agricultural markets, supported the development of business-oriented farmer cooperatives, and provided retail and market trader training in Oromia. The Mission also supported the establishment of business information and training centers, an improved business licensing and registration system, and enhanced capacity of the Ethiopian Investment Promotion Authority. Ongoing support to the Central Statistical Authority to improve annual crop and livestock production estimates, a critical element of informing market behavior, is beginning to bear fruit. Support to Winrock International is successfully

increasing the number of trained women extension agents, researchers and educators and effectively reaching rural women in the SNNPR.

Following the breakdown in negotiations on the proposed Ethiopian Resources for Developing Agriculture Project in August of 1995, the GFDRE asked USAID/Ethiopia to await completion of the National Food Security Strategy (NFSS) and the National Food Security Program (NFSP) before developing a new program. The Mission entered into close partnership with the Government and other donors to finalize both the NFSS (completed in November of 1996) and the NFSP (completed in June of 1998). During this extended hiatus in discussions the Mission pursued targets of opportunities in line with the (then) approved Strategic Objective, but without any real foundation for developing a future program.

After completion of the NFSP, USAID began a series of consultations with the major regions, and selected Amhara as the initial focus region based upon the interest and cooperation of the regional Government, and the extent to which it had advanced the development of its food security program. The Mission restructured its food and agricultural development program in FY 1999 to support the NFSP, and signed a Strategic Objective Agreement (SOAG) to that effect in September 1999. The SOAG articulates a collaborative design process for both national and regional activities in response to priority food security needs. In Amhara the mission and regional authorities will jointly identify factors contributing to chronic food insecurity, and design results oriented activities to address those factors. Funds will be allocated to pilot activities based upon performance, with priority given to scaling up the most effective efforts over time. Activities that are not performing will be revised or terminated.

Collaborative activity design for the restructured program is in the initial stages in Amhara, and progressing at the national level. It is this work that forms the foundation for the proposed RHPP SO. This flexible programming approach to result-based activities based on mutual priorities has overcome past difficulties and established a much stronger partnership for future program efforts.

5.4. RHPP RESULTS FRAMEWORK AND KEY PARAMETERS

5.4.1. Results Framework

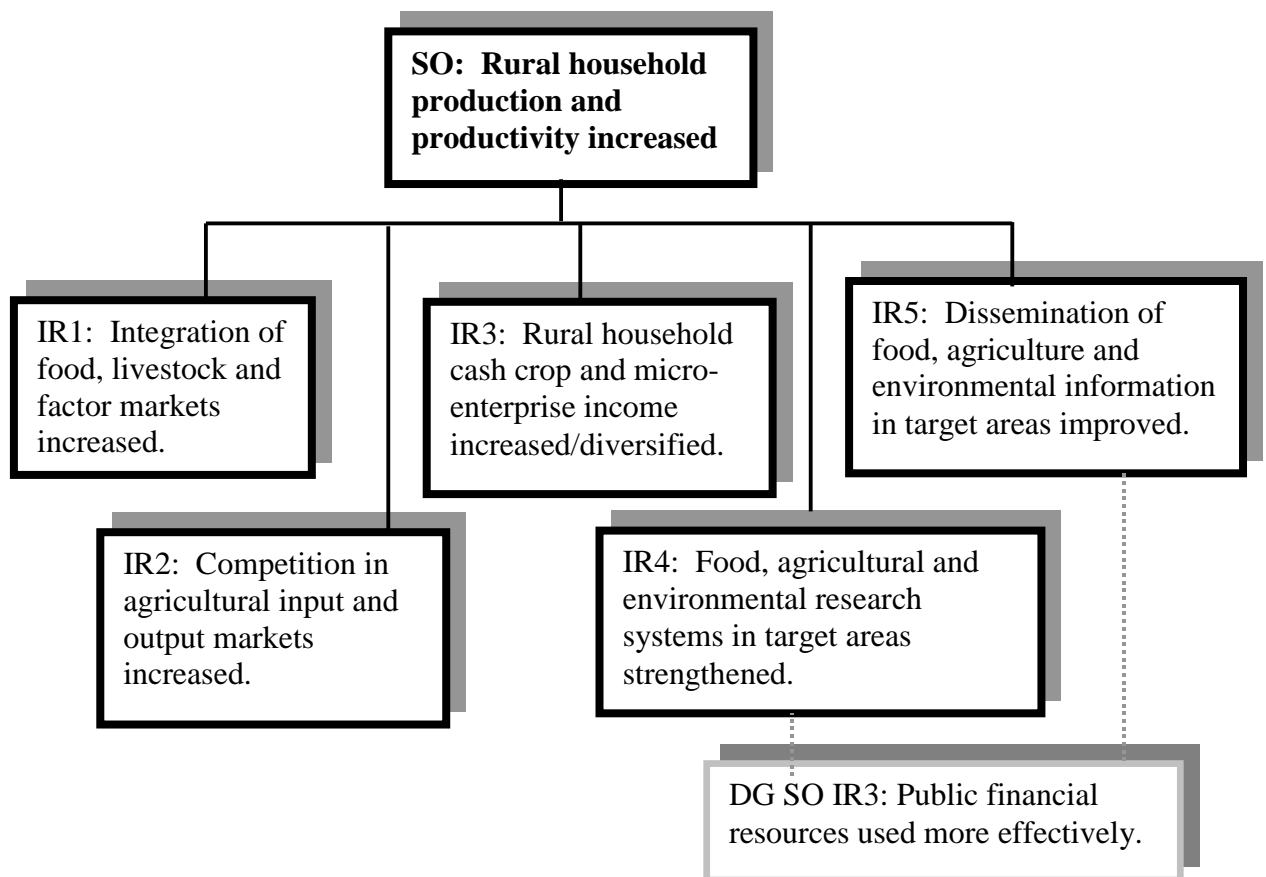
The proposed SO *rural household production and productivity increased* (RHPP SO), will increase national agricultural market integration and competition. It will also improve agricultural practices and increase rural household income opportunities in arid and semi-arid zones. The focus on rural *households* is deliberate, as it includes women.³¹ At the regional level, activities will focus on the 47 chronically food insecure districts of Amhara and the pastoral areas along the Ethiopian-Kenyan border.

³¹ In Ethiopia, the term “farmer” is traditionally male. For further details of gender analysis please see Annex 6.

Lessons learned in agricultural research and extension, watershed management and micro-enterprise development activities in Amhara will be shared with counterparts, NGOs, and others. Research results will be disseminated through the national agricultural research system. The Mission will integrate Title II-supported food security activities³² to reinforce their contribution to the NFSP and the achievement of the SO. Indicators to be used in target areas include increasing food availability (kcal/person/day), household cash income, and the nutritional status of children (stunting).

A graphic presentation of the results framework is presented below:

Rural Household Production and Productivity Increased



³² Including agricultural extension, natural resources management, soil and water conservation, micro-finance and micro-enterprise development activities.

5.4.2. Program Rationale

The RHPP SO directly supports the Mission's long term goal to reduce chronic food insecurity in Ethiopia. The SO builds on USAID experience to date, and incorporates a more holistic approach to the support of rural households in chronically food insecure areas. At the national level, the RHPP SO will improve the efficiency of agricultural markets by integrating regional and national market systems and increasing competition. This will provide production incentives and employment opportunities, ensure better distribution of food within the country, and strengthen the market capacity of farmer cooperatives and retailers in the focus regions. At the regional level, the RHPP SO will diversify/increase household income in Amhara through support for micro-finance and micro-enterprise development activities, and applied agricultural research and extension focused on the chronically food insecure (arid and semi-arid) districts. The RHPP SO will support the DG SO results aimed at increasing the efficiency and transparency of expenditure management in the Government. The RHPP SO will also link with and support the Southern Tier SpO (in collaboration with GHAI) through specific food security activities in the pastoral areas along the Ethiopian-Kenyan border.

5.4.3. Convergence with GFDRE Policies and Plans

The SO is consistent with the broad parameters of Ethiopia's National Food Security Strategy, and two of its three components: increased agricultural production and productivity, and an improved system of entitlements for food insecure households. The RHPP SO emphasis on more efficient and competitive agricultural markets is expected to contribute to enhanced food availability by easing the movement of food within the country, particularly between the more productive areas and those that are more food insecure. At the same time the RHPP SO focus on adaptive agricultural research, extension, and micro-enterprise development is expected to contribute to increased household food availability and access, at least in the food insecure districts of Amhara and the Southern Tier.

The proposed RHPP SO is consistent with the Amhara regional economic development strategy and food security program. The objective of the Amhara regional food security program is to increase rural household production and productivity by:

- increasing the amount of land under cultivation,
- improving the supply and distribution of agricultural inputs,
- expanding extension systems,
- strengthening the regional agricultural research sub-system,
- reducing post-harvest losses,
- rehabilitating and conserving the natural resource base, and
- diversifying household income and employment opportunities.

The proposed RHPP SO supports these Amhara objectives. The emphasis on applied research and extension at the regional level responds to the expressed concerns of

Amhara food security and agricultural officials that the regional research and extension system involve farmers in problem identification and the testing of solutions. Food science research and nutrition education will be integrated into agricultural research and extension activities. Agricultural research and extension activities will also promote environmentally sustainable agricultural practices. Activities to increase rural household access to financial services (savings and credit) will support increased agricultural production and micro-enterprise development, increasing household income opportunities. Market development, extension, natural resource management and micro-enterprise activities will also support GFDRE efforts to address household food security in the pastoral regions along the Ethiopian-Kenyan border in collaboration with GHAI efforts.

5.4.4. Critical Assumptions

On the national level, the most critical of the proposed RHPP SO assumptions are:

- The GFDRE continues to emphasize increased agricultural production and productivity as a part of its agriculturally led industrial development policy.
- The GFDRE remains committed to market-led development and to strengthening the role of the private sector in the economy.

At the Amhara Region level the critical assumptions are:

- The regional Government will continue to expand agricultural intensification efforts.
- Regional agricultural policies and public investment practices will encourage adoption of improved technologies in the target areas.
- The Amhara Food Security Program Coordination Unit will effectively coordinate the activities of multiple donors to achieve its' objectives.

5.4.5. Rural Household Production and Productivity Intermediate Results

**IR 1:
Integration of food,
livestock and factor
markets increased.**

Integrated, reliable agricultural output markets increase household food availability by facilitating the flow of products from surplus to deficit (vulnerable) areas. Market integration also ensures that price signals are effectively transmitted to producers, thereby providing incentives for increasing production. Expected output prices are a key determinant of production and technology adoption since farmers must have confidence in the market for their products to risk expansion, innovation, and input purchase. Market reliability also protects both producers and consumers from the effects of sharp seasonal and cyclical variations in supply, and helps ensure that production decisions respond to effective demand. Increased food availability also depends upon the ability of markets to make agricultural inputs available to farmers in a timely and affordable manner, which is addressed in IR2. Factor (land, labor and financial) markets are either weak or non-existent in rural Ethiopia. While the land tenure system allows for

limited land transactions, access to land is limited and tenure insecure, discouraging investments that would lead to sustainable increases in production and productivity. Rural labor markets are also poorly formed, although farmers often supplement their incomes with off-farm employment. More efficient labor markets therefore benefit both producers and laborers. With regard to access to capital, the legal framework created in 1996 provides for shareholding micro-finance companies³³ to work in rural areas, and for cooperatives to establish credit and savings associations. Although such institutions are slowly emerging, issues of financial sustainability and links to the formal banking sector still need to be addressed. Under IR1, the Mission has the flexibility to respond to and support GFDRE and Amhara initiatives to analyze policy alternatives related to issues such market structure, land tenure and taxation, and labor mobility.

Illustrative activities under IR 1 include: technical assistance, training and operational support to:

- conduct Ethiopia's first national agricultural census,
- establish market price information systems,
- improve annual crop and livestock production estimates, and
- build GFDRE capacity to undertake policy research.

**IR 2:
Competition in
agricultural input and
output markets
increased.**

Competitive markets help ensure that price balance demand and supply for both agricultural inputs and outputs. Increased competition in input markets helps lower input prices, improve availability, and enable the adoption of improved technologies, which increase food and cash crop production. Increased competition in output (food) markets helps reduce marketing margins and

stabilize both consumer and producer prices, thereby increasing food availability as producers respond to price incentives. Increasing competition in Ethiopia's agricultural input and output markets requires: (a) addressing barriers to market entry; (b) increasing the capacity of different agents to work effectively within markets; (c) increasing the transparency of the regulatory system; and (d) equalizing access to Government services in support of private enterprise. Expanding the participation of farmer cooperatives in the market is a critical element of increasing market competition, as well as increasing farmer incomes. Therefore, a major focus of this IR will be to build upon the Mission's pilot cooperative development activity in Oromia and expand it to the Amhara, SNNPR and Tigray regions with an emphasis on building the capacity of farmer-owned cooperatives to provide input and output marketing services to their members.

³³ The term shareholding refers to legally registered micro-finance institutions, which must be stand-alone organizations. Ownership (shareholding) in these institutions ranges from entities such as Wisdom, which is wholly owned by World Vision, to the Amhara Credit and Savings Institution where shares are held by a combination of Government and non-government entities. The principal is that micro-finance institutions must be organizationally and operationally independent from their owners.

Illustrative activities under IR 2 include:

- building the capacity of farmer-owned cooperatives to provide input and output marketing services to their members,
- improving the capacity of private agricultural input and retailers and market traders,
- supporting free entry into agricultural markets and the development of more transparent regulatory systems, and
- facilitating the development of credit delivery systems and physical infrastructure.

**IR 3:
Rural household cash
crop and micro-
enterprise income
increased/diversified.**

Most rural households derive the majority of their income from the consumption and sale of food crops. However, rural households in marginal areas with inadequate landholdings are particularly hard pressed to meet cash and nutritional requirements from crop production and must rely upon other sources of income to improve their food security. For these families increased income from cash crop, food processing, implement manufacturing, petty commerce and other micro-enterprise activities, and off-farm employment are essential to increase incomes and improve food security. Agricultural research activities and other sources are expected to generate food processing, agricultural implement manufacture, laborsaving (especially for women), and other agricultural-related opportunities which may provide income-generating possibilities for these households. These new product ideas, processes and opportunities will be disseminated through the agricultural extension system and other appropriate channels. However, rural household adoption of these alternatives will require expanded access to improved technologies (including new products or processes), output markets, financial services and entrepreneurial skills.

Illustrative activities under IR 3 include:

- strengthening rural financial institutions and savings mobilization efforts,
- training loan officers to promote and support micro-entrepreneurs,
- training for rural households in business planning and technical skills,
- disseminating new product and production ideas, and
- facilitating market linkages and rural household asset building, and
- strengthening NGO microenterprise capacity.

**IR 4:
Food, agricultural and
environmental research
systems in target areas
strengthened.**

Ethiopia has a well-established national agricultural research system. Under the overall direction of the Ethiopian Agricultural Research Organization the system includes special focus research centers located throughout the country. The national research system is currently receiving capacity-building and technical assistance through a consortium of donors including the World Bank, the European Union, and the German Development Agency (GTZ). However, there is a critical gap between the national research system and applied agricultural research at the regional level, particularly in the arid and semi-arid zones. Therefore, IR4

seeks to help the Amhara regional agricultural research centers conduct applied research that is demand-driven, with immediate application in the chronically food insecure districts of the region. The Swedish International Development Agency (SIDA) is also supporting development of a master research plan and on-farm research in selected areas of Amhara. IR4 will emphasize adaptive research in the arid and semi-arid areas addressing issues related to crop systems and rotations, inter-cropping of food, cash and forage crops, conservation, soil fertility management and tillage practices, food storage and preparation techniques to minimize pre- and post-harvest losses and preserve nutritional value, and labor saving and productivity enhancing technologies.

Illustrative activities under IR 4 include technical assistance and capacity building to:

- design and implement applied research plans and promote interaction between researchers, extension agents and households,
- develop appropriate materials for extension purposes, and
- provide financial and operational support to carry out applied research plans.

**IR 5:
Dissemination of food,
agriculture and
environmental
information in target
areas improved.**

The Amhara Bureau of Agriculture manages an extension service consisting of 4,200 Agricultural Development Agents (DAs), 1,033 Agricultural Extension technical and managerial experts and 433 Extension Service supervisors. The Agricultural Extension Service also includes 4,920 staff spread among its planning, training, regulatory, and administration and finance departments. At the district level, the typical extension office includes

a DA, a Home Science Agent and a Veterinary Agent to serve an average of 770 farm families. Extension officers have relatively easy access to the farming population, but the lack of improved agricultural technologies for arid and semi-arid zones has limited extension impact. The extension service has not been responsible for providing food science and nutrition information on improved food storage technologies, food preparation and nutritional practices. Outreach on these topics, as well as agricultural production practices, will be developed by the agricultural research system for dissemination by extension agents. SIDA and GTZ are both supporting Amhara agricultural extension activities with a focus on food security.

Illustrative activities under IR 5 include technical assistance for:

- developing curriculum and instruction materials for extension agent training,
- designing information and extension materials and farmer training,
- reviving the home science agent program,
- developing a system to support integrated watershed management activities at the community level, and
- implementing a small grants program to support NGO soil and water conservation and natural resource management activities.

5.4.6. Policy Considerations

The GFDRE developed an economic development strategy called Agricultural Development Led Industrialization (ADLI), which centers on (a) improving the productivity of smallholder agriculture, and (b) industrialization using domestically produced raw materials with labor intensive technology. The GFDRE has formulated and issued major policies and guidelines in the areas considered critical for agricultural intensification: fertilizer, micro-finance and credit, seed, cooperative development, agricultural research, water resources and forestry.

A number of major policy areas remain to be addressed. These include land tenure, land use, labor market development, livestock, natural resources, soil conservation, and the sustainability of the agricultural intensification program. In the short term, these issues will not constrain Mission activities under the RHPP SO. In the long term, however, the resolution of these issues, particularly those related to land tenure and land utilization, must be addressed. The stated policy of the GFDRE is that there is no need to change national land tenure policy. However there are indications that regions have the flexibility to undertake initiatives. The RHPP SO provides a framework for supporting national and regional efforts to address policy constraints related to land tenure, land use, and labor market development.

In this context, the RHPP SO will promote and support the establishment of a National Food Security Policy Forum as the mechanism for developing a comprehensive policy agenda, establishing priorities, and addressing constraints.

5.4.7. Preliminary Performance Monitoring Plan

The performance measures for the current agriculture/foods security SO are the approved indicators and targets initially approved with the 1995-2000 CSP, as they have evolved in subsequent R4s. These indicators and targets will be reported on through at least their completion in FY 2000 (or the FY 2003 R4). The proposed performance measures for the new RHPP SO are presented in the table below, and will be further developed in consultation with USAID's partners over the next one to two years. In terms of the Performance Monitoring Plan, essential baseline information at the strategic objective level will be based on the results of the National Agricultural Census. These results will provide detailed agricultural production information at the district level, which will be used to track food availability and household income.

The nutrition indicator at the SO level is shared with the MED and ESHE-II SOs. The RHPP team will collaborate with these colleagues to establish a Sentinel Surveillance system to report on this indicator for all three teams. Each SO will establish and report on targets for their focus/priority regions, and compare this information with national norms and trends. USAID expects this Sentinel System to guide program implementation by mid-FY 2002.

Baselines for most indicators at the IR level will be established based on CY 2000 information such as implementing partner annual reports. The Mission will emphasize a participatory approach to manage for results, involving Government, PVO/NGO and donor partners in reviewing implementation results and developing annual work plans. It will also include a specific focus on learning from experience, and making available information on the lessons learned.

USAID/Ethiopia's reporting on the new RHPP SO framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 submitted in February 2002.

RHPP SO Performance Data Table

Result (RHPP SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	Value
Strategic Objective: Rural Household production and productivity increased.	Food availability in target areas (kcal/person/day).	1999	1.9 (3,856)	2.2 (4,500)
	Amhara production of cereals (in 000s metric tons)	1999	\$100	\$120
	Household cash income in target areas. (Agricultural GDP per rural household)	2000	57% (ANRS)	52% (ANRS)
	Nutritional status of children (stunting).			
Intermediate Result 1: Integration of food, livestock and factor markets increased.	Market price information system in established and functional.	2000	No	Yes
	National Agricultural Census completed.	2000	No	Yes (2001)
Intermediate Result 2: Competition in agricultural and output markets increased.	Volume of inputs and crops marketed through farmer cooperatives (metric tons).	1997	8,500	100,000
Intermediate Result 3: Rural household cash crop and micro-enterprise income increased/ diversified.	Household access to financial services in target areas.	2000	140,000 (ANRS)	250,000 (ANRS)

Result (RHPP SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	Value
Intermediate Result 4: Food, agricultural and environmental research systems in target areas strengthened.	Farmer-driven master research plan designed, on-farm results reviewed, and research plans modified annually in target areas.	2000	No	Yes
Intermediate Result 5: Dissemination of food, agriculture and environmental information in target areas improved.	Impact of improved agricultural technologies adopted by farmers in target areas. (ANRS cereals yield/hectare - metric tons)	1997	1.0	1.17

Significant impact is expected in the areas of market integration and competition. USAID support for Ethiopia's first agricultural census will provide the baseline against which to compare future crop production estimates and trends. USAID support for market price information systems will also build time series data on agricultural commodity prices, and promote market efficiency. This is essential to the development of a market-based agricultural economy. USAID-funded agricultural cooperative development activities will increase competition by enabling farmers to actively participate in those markets.

The indicators listed above include aggregate gender information collected at the sub-IR level as part of the Performance Monitoring Plan. That information will include specific information on women-headed households, and on the participation of women in agricultural and savings and credit cooperatives, and on the numbers of women professionals and farmers trained.

Specific targets and refined indicators of progress toward achievement of RHPP SO results will be developed during the design of specific activities.

5.5. LINKS WITH CROSS-CUTTING THEMES AND OPPORTUNITIES

Nutrition: Achieving the Mission's long-term goal of increasing food security, including household productivity, will require a dramatic improvement in the nutritional status of children. The RHPP SO will address nutrition by integrating nutritional research and

information into the agricultural research and extension system. An indicator on children's nutritional status (stunting) is included at the SO level.

Capacity Building: A major component of the RHPP SO is building the human and institutional capacity needed to address food security issues. RHPP will support training for agricultural personnel in essential disciplines related to adaptive agricultural research and extension, combined with an emphasis on participatory methods. This will contribute to the shift in philosophy required to achieve results in the long term. It will also include training to increase the capacity of key players to effectively compete in agricultural markets.

Training in human capacity will be complemented with technical assistance to build the institutional capacity for:

- the Central Statistics Authority and the Livestock Marketing Authority to rapidly collect, compile and disseminate market price information,
- regional Cooperative Promotion Bureaus to effectively support agricultural cooperative development,
- regional agricultural research centers to undertake demand-driven participatory adaptive research,
- regional extension systems to systematically utilize participatory approaches with communities,
- micro-enterprise agencies to support micro-enterprise development, and
- micro-finance institutions to effectively manage operations while maintaining fiduciary responsibility standards.

HIV/AIDS: The spread of HIV/AIDS in Ethiopia will degrade the household food security situation by reducing available labor, depleting assets, and straining the capacity of public and private organizations. Training activities under the RHPP SO will include specifically designed material to increase HIV/AIDS awareness and promote prevention behaviors.

Title II Integration: Title II Cooperating Sponsor activities will benefit from and complement the research and extension activities of the RHPP SO, particularly in the areas of agricultural extension, natural resources management, soil and water conservation, micro-finance and micro-enterprise development activities in the target areas. To facilitate this integration the RHPP SO will include a small grants program for pilot activities to complement Title II resources. Title II Cooperating Sponsors operating in Amhara will also benefit from development assistance resources to support and complement their programs in environmental activities such as water and sanitation, watershed management, small-scale irrigation development, and sustainable natural resource management. The Mission will encourage Title II sponsors to work in areas which support the broader GFDRE strategy and program and to better integrate the Title II programs into the Mission's overall approach to food security.

The RHPP SO will provide funding through the DG SO's IR3, "Public financial resources used more effectively." Support for the Civil Service Reform Program under DG IR3 will help the Regional Agricultural Bureaus utilize new Ministry of Finance budget and accounting reforms.

5.6. OTHER DEVELOPMENT PARTNERS

Major donors are currently aligning their ongoing assistance programs and developing new activities to support regional efforts within the broad parameters of the NFSP. USAID/Ethiopia was the first donor to fully align its agricultural program with NFSS and the NFSP, through the 1999 SOAG. The Mission expects to remain a leader in the sector through the life of the plan.

Other major donor programs include World Bank support to the national agricultural research system, and European Union support for elements of the regional food security programs in the Tigray and Amhara regions. In Amhara, Canadian CIDA is building capacity to develop small-scale irrigation. Swedish SIDA is supporting integrated rural development efforts and regional agricultural research systems in two zones. The Dutch Development Agency is supporting integrated rural development with an emphasis on irrigation. GTZ is supporting adaptive agricultural research and community-based natural resources management activities in the food insecure districts.

At the national level, the World Bank is providing foreign exchange to the private sector for the import of fertilizer. The World Bank is also designing a \$100 million project to support the NFSP (along the same lines as USAID's RHPP SO). The European Union is planning a \$25 million effort to support micro-enterprise development. Canadian CIDA is designing a \$15 million small-scale irrigation project in Amhara, and Swedish SIDA is designing a \$20 million project as a follow-on to the present Amhara program. The EU is considering a \$10 million effort in support of the regional food security strategy, with an emphasis on employment generation schemes and micro-enterprise development.

6. MITIGATE THE EFFECTS OF DISASTER STRATEGIC OBJECTIVE

6.1. DEVELOPMENT CHALLENGE

In FY 2000 humanitarian aid to Ethiopia represented the single largest U.S. emergency response program. The monetary value of USG-provided food commodities (\$332 million) plus non-food programs assisting drought-affected and war-affected (\$17 million), combined with ongoing development programs (\$40.3 million) totaled almost \$390 million.

Ethiopia has a long history of famine and conflict related disasters. In CY 2000, more than ten million people, (roughly one-sixth of the population) were estimated to be in need of food and non-food assistance. Food requirements exceeded 1.3 million metric tons (MTs). Extraordinary efforts were deployed to mobilize, transport, distribute and monitor the commodities needed to address the biggest humanitarian operation in the world at that time. As a result of the concerted efforts of the GFDRE, donors, UN agencies and PVOs/NGOs, famine was averted.

This crisis demonstrates that disasters and development in Ethiopia can no longer be treated as discrete events. Today the technology exists to identify slow or fast onset hazards that threaten vulnerable communities, thereby enabling early response to mitigate the impact on development. This capacity must be built into development programs, or risk the loss of hard-won progress during the next drought.

Every year, the GFDRE issues an appeal for humanitarian aid. While the total number of affected people changes from year to year, depending on the weather and other factors, a core group remains food insecure year after year, unable to generate enough income, or produce enough food, to meet the most basic needs of their families. These chronically food insecure households should be targeted for rehabilitation or safety-net services, in order to address the systemic issues keeping them destitute. Identifying the chronically food insecure will also help to focus the targeting of humanitarian aid during an emergency.

In CY 2001, the immediate challenge will be to continue to provide humanitarian and mitigation assistance to maintain stability and prevent distress migration and humanitarian catastrophe among affected populations. Building on the emergency response, medium term challenges include:

- improving crop and food supply assessments and early warning capacities,
- improving food aid targeting,
- meeting the rehabilitation or safety-net needs of the chronically vulnerable,
- improving capacity for tracking and reporting on food commodities, and

- addressing chronic water, health, livestock and agricultural needs (relief to development continuum).

6.2. GFDRE RESPONSE TO THE CHALLENGE

The Disaster Prevention and Preparedness Commission (DPPC) is the primary counterpart for disaster response at the federal level. The DPPC five year plan (1998 – 2002) aims to reduce the impact of humanitarian crisis through timely identification of needs, and intervention before the depletion of productive assets and breakdown of coping strategies. The plan includes nine core programs: early warning and management information; emergency food and non-food reserves; policy, planning and monitoring; food distribution; coordination of NGO and donor activities; logistics; training and organizational development; fund raising and public relations; and women's affairs. The plan is well articulated, with targets, budgets, and allocation of responsibilities. However, implementation has been slow and uneven. This is due primarily to drought and war displacement in 1999-2000 that required DPPC (and USAID) to focus on emergency needs rather than engaging in longer-term capacity building. As conditions stabilize, the DPPC expects to move ahead on some longer-term programs. Improvement of targeting practices is a clear priority. Other important ongoing initiatives include continued improvement of early warning systems, capacity building in emergency response, and meeting the needs of the chronically vulnerable.

The GFDRE has been supportive of USAID emergency response initiatives, and has incorporated the results of those initiatives into a number of federal and regional systems. The Strengthening Emergency Response Abilities (SERA) project researches chronic vulnerability and improves GFDRE capacity to prevent and mitigate disaster and food insecurity. A number of instruments designed by SERA are widely used throughout the country by DPPC, regional, zonal and district governments, as well as NGOs.³⁴ Research-oriented personnel trained by SERA participate in a number of Government-wide activities, and collaborate with district-based NGOs working on food security projects. The USAID Famine Early Warning System (FEWS Net) is part of the network of information tapped by DPPC for its analysis.

The GFDRE is committed to active participation and support in emergency response, as demonstrated through budgetary funding of the Disaster Prevention and Preparedness Commission at the federal, regional and local levels. GFDRE response to the recent crises increased from 25,000 metric tons in CY 1999 to 100,000 metric tons in CY 2000. In FY 1999 and 2000, the GFDRE covered transport costs of 220,000 metric tons of commodities from various bilateral donors (including USDA, USAID Title III and the EU).

³⁴ For example the National Guidelines for Vulnerability Profile Development, designed by SERA, have been disseminated to the regions; SERA project data collection instruments are widely used for baseline assessment and evaluation purposes; the DPPC Early Warning System is incorporating selected indicators of chronic vulnerability.

6.3. PRIOR USAID ASSISTANCE TO HUMANITARIAN AND MITIGATION ACTIVITIES

USAID has been responding to emergency situations in Ethiopia since the early 1980s. Droughts are cyclical in nature, and have been increasing in magnitude and frequency over the past twenty years. The current emergency began as a result of inadequate rains between 1997 and 1998, followed by the total failure of the 1999 early-season (*belg*) rains in many parts of the country, and a failure of the October-December pastoral rains.

In fiscal year 1999, 82,000 metric tons of commodities (valued at \$36 million) of Title II regular resources were provided to over half a million people in the country's chronically food insecure districts. Emergency humanitarian food assistance to meet drought needs totaled 191,500 metric tons (valued at \$66 million) and was targeted to seven million Ethiopians. An additional 45,660 metric tons (valued at \$16 million) assisted approximately 315,000 Ethiopians displaced by the border conflict, and \$1.5 million was provided by the Office of Foreign Disaster Assistance (OFDA) to address drought and conflict related needs.

With the cumulative effect of two years of drought, and the third failure of the pastoral and *belg* rains in calendar years 1999 and 2000 respectively, beneficiaries increased from 7.7 million in January to 10.3 million in July. U.S. Government emergency assistance for fiscal year 2000 totals 559,645 metric tons¹ valued at over \$330 million, with an additional \$14.3 million provided by OFDA to meet urgent non-food requirements.

Emergency assistance in 1999 and 2000 focused on the mitigation of humanitarian catastrophe in the short term. It consequently did not significantly improve the ability of the vulnerable to cope with future hardship. Continued provision of emergency assistance to those at risk of starvation must be combined with appropriate rehabilitation, mitigation and development assistance packages, designed to mitigate the effects of the next crisis. USAID Ethiopia can thus address its long-term goal to reduce chronic food insecurity.

6.4. MED RESULTS FRAMEWORK AND KEY PARAMETERS

6.4.1. MED Results Framework

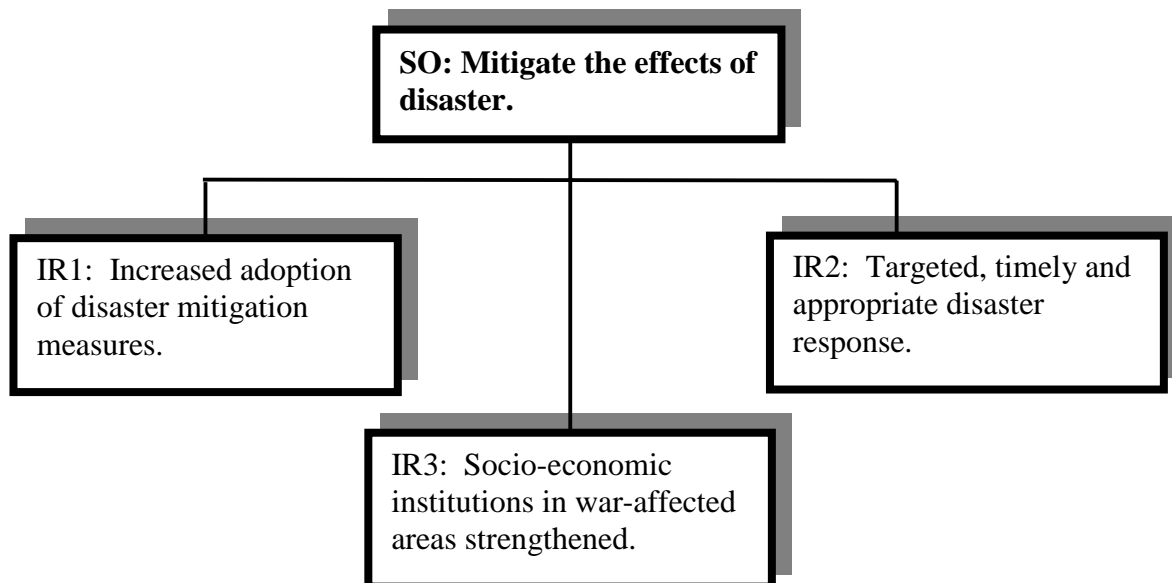
In the 1995-2000 CSP, USAID provided support for emergency response and mitigation activities under its *SO enhanced food security in target areas*, implemented with Title II food and monetization proceeds. Experience suggested that food security was too complex an issue to be addressed in this manner. Through a consultative process with Title II Cooperating Sponsors and other implementing partners, the Mission arrived at three strategic decisions:

¹ Total USG drought deliveries in CY 2000 total 649,645 metric tons, including the 90,000 metric tons USDA Emergency Food Security Reserve repayment.

- Food security is a goal-level, Mission-wide concern, to be addressed by all SOs.
- Title II resources should contribute to the Mission goal, and the objectives of Cooperating Sponsor programs should be integrated with those of USAID.
- Title II supported activities should be strategically focused on mitigating the effects of disaster, rather than the broader goal of food security.

The MED strategy builds on lessons learned from USAID's crisis response and mitigation efforts. USAID will more strongly emphasize mitigation, with a focus on capacity building at all levels. It will redirect response and mitigation activities toward addressing chronic malnutrition. Indicators will include the percentage of vulnerable people with critical needs met, percentage of children under five that are wasted, and the percentage of households that maintain core productive assets during a crisis.

MED SO Results Framework



Commensurate with the DPPC Five-Year Plan, the MED SO focuses on needs identification, early warning and response. Activities to achieve IR1 will engage partners at national, regional, and sub-regional levels, for policy dialogue, capacity building, early warning, and mitigation measures. As capacities are built through IR1, efforts to achieve IR2 will increasingly focus on rural households and individuals in need when a given crisis occurs. Activities to achieve IR3 are by definition along the disputed border between Ethiopia and Eritrea, in Tigray and Afar regions, but will benefit from the capacity development efforts under IRs 1 and 2.

6.4.2. Program Rationale

Historically, disaster prevention and mitigation have not been part of the development lexicon. But recent experiences in Ethiopia show that when disaster reduction and mitigation responses are overlooked, the onset of emergency can lead to costly setbacks in development. For development to be sustainable in the medium and long terms, the short-term vulnerability of the population to potential disasters must be effectively addressed.

Although critical during emergencies, short-term approaches are not designed to minimize the impact of future disasters, prevent dependency on relief assistance, and promote development. The MED SO will focus on combining short-term and medium-term interventions to decrease the vulnerability of at-risk persons, refine targeting practices, build capacity in emergency response, and improve early warning systems. By linking activities under IR1 (adoption of mitigation measures), IR2 (targeted, timely and appropriate disaster response), and IR3 (socio-economic institutions in war-affected areas strengthened), MED will address the transition from relief to development for drought and conflict-affected populations. These interventions are designed to integrate with and support the medium to long term goals of the other SOs, particularly those of ESHE-II, RHPP, and BESO II.

6.4.3. Convergence With GFDRE Strategies And Plans

The MED SO is the framework for USAID's interactions with the GFDRE on disaster policy. Through three intermediate results, it will build the capacity of the GFDRE to collect timely and accurate information through improved surveillance, to meet critical needs in times of crises, and to re-establish basic institutions in war-affected areas when conditions permit.

The MED SO is in full conformance with GFDRE strategies and plans. The DPPC Five-Year Plan outlines its mission to:

- prevent disasters by way of removing the basic causes,
- build, in advance, the capacity necessary to alleviate the extent of damages that could be caused by disasters; and
- ensure timely arrival of necessary assistance to victims of disaster.

This policy is in line with the USAID and the GHAI approach to disaster mitigation and management, and is fully supported by IRs 1 and 2.

The National Food Security Strategy (NFSS), developed in 1996, identifies three basic policy measures to ensure food security in the country:

- stimulating economic growth and employment,
- establishing additional access and targeted programs, and

- strengthening emergency capabilities.

USAID's RHPP, BE SO, DG, and ESHE-II SOs address the first and second measures, while the MED SO, and to a more limited extent ESHE-II, address the third.

6.4.4. Critical Assumptions

Critical assumptions that will influence the degree of achievement of the MED SO include:

- Even with adequate rain in the second half of CY 2000, many of those affected by the current drought will not recover in the short to medium term without external assistance.
- Widespread destitution has resulted in increased vulnerability to shocks of any magnitude.
- Erratic rainfall patterns and heavy population pressure on agricultural land will continue to negatively impact crop production.
- The Ethio-Eritrean border conflict will be resolved, allowing for rehabilitation activities for returnees, deportees, internally displaced and host communities.

6.4.5. MED SO Intermediate Results

**IR1:
Increased adoption of
mitigation measures.**

The impact of humanitarian crisis can be mitigated best through timely identification of needs and early intervention before vulnerable populations liquidate their productive assets and exhaust their traditional coping strategies. This requires timely and accurate

early warning, community level crisis surveillance systems, and response mechanisms which are adequate and appropriate.

Improving Early Warning Systems and Capacities

Over the last thirty years, the GFDRE has built one of the best National Early Warning Systems (NEWS) in Africa. The system emphasizes community participation in the identification of needs and planning, decentralization of decision-making and multi-sectoral responsibility. For the NEWS to be more effective, a number of key contributions to the system must improve. Climatic and weather reporting need to be more efficiently transmitted, and made more available to end users. The system must be better able to gauge the localized effect of disaster. Early warning information needs to be better coordinated between the NEWS, donors, UN and NGOs, in order to influence decisions about the way relief and development assistance are planned and targeted.

Working with the DPPC's NEWS and other early warning stakeholders,³⁵ USAID/FHA, will work through the SERA and FEWS Net projects to foster the coordination and

³⁵ Including the European Union's local food security unit (EU/LFSU), World Food Program/Vulnerability Assessment Mapping (WFP/VAM), the Food and Agriculture Organization (FAO) and NGOs.

integration of information in a collaborative process that builds consensus about problems and solutions. Fundamental to this effort is establishing linkages with activities of the RHPP and the ESHE-II SOs.

Improving Crop and Food Supply Assessments

Since 1998, multi-agency assessment teams – comprised of DPPC/Early Warning officials, UN Agencies, donors, NGOs, and regional and local bureau officials – have carried out assessments at the end of the two main rainy seasons: in November and December for the *meher* harvest and June and July for the *belg* harvest. These assessments calculate the national food balance and identify geographic areas and populations requiring food aid assistance. Their collaborative approach fosters consensus on the nature and scope of problems and expedites the delivery of relief assistance. USAID/FHA and FEWS Net will continue to be closely involved in methodology development and assessment activities. USAID/FHA will reinforce linkages between the crop and food supply assessments and USAID's Agriculture program for the national agriculture census and ongoing annual agricultural assessments.

Understanding and Meeting the Needs of Those Chronically Vulnerable

Most needs assessments and program responses tend to be emergency and relief oriented. The information gathered is not always useful to the development of programs designed to reverse the process of long term impoverishment. USAID supports capacity building at the Federal DPPC and regional government levels to address prevention, mitigation and preparedness to reduce chronic vulnerability through the SERA project. Its objectives are to:

- develop a reliable vulnerability profile in four of the most disaster prone regions,
- conduct in-depth research and special studies on the root causes of vulnerability, and
- strengthen response mechanisms and develop interventions incorporating research and assessment results.

During FY 1999 and 2000, the SERA project carried out its pilot phase in 8 zones, 16 districts and 91 villages. The National Guidelines for Vulnerability Profile Development were completed, five sets of data collection instruments developed, and data management files created.

Currently, federal, regional, zonal and district capacities are being developed to plan, collect, manage and analyze the vast set of information on chronic vulnerability to famine and other natural disasters. In the process, each region and zone has claimed ownership of the information and is using it to design other assessment and evaluation activities in the food security and rural development area. District and zonal analysis and dissemination workshops will be carried out in early FY 2001 in order to target the most highly vulnerable and destitute, plan response mechanisms, and develop plans for improving sustainable livelihoods.

One of the major policy goals of the MED SO will be to work with the GFDRE to eliminate the yearly food aid appeal for the chronically vulnerable, replacing emergency assistance with budgeted safety net and rehabilitation programs. The European Union has also made this a prominent goal. As the two largest donors to humanitarian aid in Ethiopia, the USG and EU are uniquely placed to move this from dialogue to implementation.

Illustrative activities to achieve IR1 include the following:

- establishing a DPPC- and FEWS Net-led multi-agency early warning report,
- supporting crop, food supply, and needs assessments,
- building the capacity of the DPPC information management and monitoring system through the SERA project,
- strengthening nutritional surveillance, climate outlook, and market assessment activities,
- assisting local governments and Cooperating Sponsors to develop disaster management plans in their target areas,
- providing TA in the analysis of early warning information and links to response planning and policy, and
- implementing Title II and other mitigation activities that address chronic water, health, livestock and agricultural needs.

**IR2:
Targeted, timely and
appropriate disaster
response.**

Carefully *targeted* humanitarian aid reduces the risk of negative market effects and dependency syndromes. A *timely* response to emergency situations reduces the depletion of household assets, out-migration, severe acute child malnutrition, morbidity and mortality. *Appropriate* response

maximizes the impact of the intervention, through adequate amounts of nutritionally balanced food, emergency health and water projects, distribution sites located near home villages, etc. The recurrence of humanitarian emergencies has contributed to the growing level of destitution in the country, leaving entire communities extremely vulnerable to socio-economic shocks. Increasing efforts must be made to create a synergy of appropriate responses among donors so as to maximize the impact of food and non-food interventions in emergency situations.

Improve Food Aid Targeting

More efficient targeting approaches are necessary to maximize the effect of emergency response resources, and mitigate dependency syndrome, flooded markets and other adverse effects of humanitarian aid. Appropriately targeted food and non-food aid can mitigate the effects of disaster more efficiently, and move communities towards recovery and development. USAID/FHA will continue to make targeting a top priority through SERA project activities, and careful review and monitoring of partner agency food and non-food programs.

Following consultations with federal and regional officials, the GFDRE developed the National Food Aid Targeting Guidelines. In line with the principles of the National Policy on Disaster Prevention and Management, the guidelines improve food aid targeting practices by ensuring that relief reaches the neediest beneficiaries, reducing waste, increasing impact, and minimizing dependency. Specific outputs of the exercise include national/regional agreement on principles, rules and methods of targeting food aid, publication of a practical handbook for zonal-level staff, in English, Amharic, Tigrinya, and Oromiya; and regional and zonal staff familiarization with the guidelines through the organization of three regional workshops.

In 1999 and 2000, DPPC and key players agreed on a geographic targeting program which prioritized food aid dispatches and distributions based on early warning information. As a result, mass distress migration in the highlands was avoided, greater transparency was established in the identification of beneficiaries and the distribution process, and increased reporting on the impact of food aid distributions was made possible.

Facilitate Coordination

To ensure timely and adequate response to natural and man-made crises, the Mission will continue to facilitate coordination among key players in Addis Ababa and USG Agencies.³⁶ The Mission will continue to work closely with BHR offices such as OFDA and FFP to develop provide appropriately detailed contingency plans, assessment methodologies, and monitoring reports.

Improve reporting and tracking capacity

The Mission will improve tracking and reporting on food dispatches and distributions. This effort began in earnest with the recent installation of the WFP Commodity Tracking System (COMPAS) in all the major hubs and in 1999 and 2000 with emergency food contributions to NGOs. The Mission will continue to target resources through its partners to address reporting concerns within the planning period.

Illustrative activities under this IR will include:

- coordinating with key players in Addis Ababa and with USG Agencies,
- improved reporting and tracking of food dispatches and distributions,
- capacity building in the GFDRE for efficient crisis response,
- developing and using appropriate resource packages,
- using uniform and consistent targeting mechanisms,
- improving management of emergency food and non-food stocks, and
- providing food and non-food assistance to those most affected by natural disasters.

³⁶ Involved USG agencies include the Bureau of Humanitarian Response (BHR), BHR's Office of Foreign Disaster Assistance (BHR/OFDA), BHR's Office of Food For Peace (BHR/FFP), OFDA's Africa Regional Office (OFDA/ARO), The State Department's Office of Person and Refugee Movement (STATE/PRM), and the U.S. Department of Agriculture (USDA).

**IR3:
Socio-economic institutions
in war-affected areas
strengthened.**

By the time a formal peace agreement is signed, the people displaced by the border conflict will have been away from their homes and fields for at least two complete agricultural seasons. The presence of landmines and unexploded ordnance will continue to delay the return of IDPs, and the re-establishment of agricultural production, in some areas. Many of the displaced lost all of their productive assets. They will return empty-handed to damaged or destroyed homes and villages. Roads and communications networks damaged from war and neglect will delay the re-establishment of normal trade routes. Schools and health posts have lost equipment, furniture and supplies, hindering the delivery of basic social services. The markets infrastructure in the region has been disrupted not only by war and displacement, but also by the loss of significant cross-border activity. To move from “Cessation of Hostilities” to real peace and stability will require significant effort to address the damaged structures, infrastructures and interrelationships which formerly characterized this region.

Assumptions influencing the achievement of this IR include:

- Formal resolution of the border conflict will enable transitional and development activities to take place.
- De-mining activities will enable the timely resumption of lives and livelihoods in most areas.
- Local communities and local and national government officials will support border development and collaboration with counterparts on the other side.

The “Contingency Plan for Rehabilitation of Conflict-Affected Populations and Areas in Northern Ethiopia” (September 2000) describes short and medium term needs for the special concerns of this area. IR3 incorporates the recommendations of that plan: to support the return of displaced families, rehabilitate infrastructure and social services, alleviate human suffering, and stabilize the present situation to strengthen the peace process. Illustrative activities to achieve IR3 include:

- providing basic food and non-food assistance to war-affected populations (including IDPs and host families/communities³⁷),
- supporting mine and unexploded ordnance (UXO) surveys, de-mining activities and mine awareness,
- restoring market, telecommunications, transport and wage labor linkages in the region and between Ethiopia and Eritrea,

³⁷ Most IDPs settled with host families, often relatives or friends. The burden of upkeep for these people at the household level was compounded by the strain on local services such as water, education and health provision. The hardship encountered by both IDPs and hosts was furthered by the failure of harvests in 1999 and 2000.

- providing community based assistance in areas of return, such as rehabilitation/construction of health care facilities, water supply schemes, and schools, and
- providing basic agricultural inputs such as seeds, tools, draught oxen and small livestock.

Ideally, these activities would be undertaken simultaneously on both sides of the border, encouraging the resumption of cross border ties to strengthen the peace process. To accomplish this goal, USAID proposes an **Ethio-Eritrean Border Development Fund (BDF)**. The BDF would coordinate and support development interventions on both sides of the border, designed to consolidate the peace over the medium to long term. The BDF would manage and partially fund the restoration of socio-economic institutions and resumption of cross border trade. The strong input of the affected communities is designed as an additional confidence-building measure.

This is a politically sensitive initiative, and the time may not yet be right for its implementation. Despite possible delay in the implementation of the BDF, the achievement of the IR3 results will help to restore the historical bonds between Ethiopia and Eritrea, removing some of the barriers to normalization, and working to consolidate the peace at the community level.

6.4.6. Preliminary Performance Monitoring Plan

Current reporting will continue on the approved indicators and targets for initially approved activities with the 1995-2000 CSP, as they have evolved in subsequent R4s. These indicators and targets will be reported on through at least their completion in FY 2000 (or the FY 2003 R4). The proposed performance measures for the new MED SO are presented in the table below, and will be further developed in consultation with USAID's partners over the next one-to-two years. USAID/Ethiopia's reporting on the new MED SO framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 submitted in February 2002.

The nutrition indicator at the SO level is shared with the RHPP and ESHE-II SOs. The MED team will collaborate with its colleagues on these teams, as part of USAID's cross-cutting nutrition theme, to establish a Sentinel Surveillance system to report on this indicator for all three teams, for normal and emergency periods. Each SO team will establish and report on targets for their respective focus/priority regions, as appropriate, and comparisons against national norms and trends will be made. USAID expects this Sentinel System to provide useful monitoring information to inform program direction by mid-FY 2002.

MED SO Performance Data Table

Result (MED SO & IR)	Performance Indicator (s)	Baseline		Target
		Year	Value	Value
SO: Mitigate the effects of disaster	SO Ind 1: Percent of vulnerable people with critical needs met.	2001	TBD	TBD
	SO Ind. 2: Nutritional status of children under 5 in emergency sites. (prevalence of wasting in children 6-59 months) (by gender)	2001	TBD	TBD
	SO Ind. 3: Productive assets maintained during and after crisis.	2001	TBD	TBD
IR1: Increased adoption of disasters mitigation measures.	Percent of communities/households and local authorities adopting and practicing mitigation measures.	2001	TBD	TBD
IR2: Targeted, timely and appropriate disaster response.	Number of targeted groups with critical needs met. (Targeted groups to be defined by each funded activity.)	2001	TBD	TBD
IR3: Socio-economic institutions in war-affected areas strengthened.	Improved regional/local institutional capacity to manage development interventions in conflicted border areas.	2001	TBD	TBD

MED represents a new direction and in many cases a new set of activities for the SO team. Specific targets and refined indicators of progress toward achievement of MED SO results will be developed during the design of specific activities.

6.5. LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES

Nutrition: Since November 1999, the Mission has been working closely with the BHR project FANTA (the Food and Nutrition Technical Assistance project) to improve the quality of the Title II programs and integrate both Title II and DA resources to better address nutrition. Through FANTA, an extensive workshop with Mission staff and Title II partners using the PROFILES "what if?" model was undertaken in February 2000. In August 2000 a consensus emerged between the Mission and Title II partners about the focus of future nutrition activities to be supported with USAID resources (DA and Title II) as outlined in Annex 3.1.

HIV/AIDS: AIDS is a slow-onset disaster, and will receive priority attention from the MED team. Close collaboration with the ESHE-II team will ensure that activities to promote HIV/AIDS awareness and prevention are integrated throughout the MED

portfolio. Awareness and prevention activities will be incorporated in all mitigation efforts to achieve MED IR1. HIV/AIDS public education and condom promotion are incorporated into the "Contingency Plan for Rehabilitation of Conflict-Affected Populations & Areas in Northern Ethiopia," and such activities will be continued through the planning period to achieve MED IR3. In emergency situations, as part of the "critical needs of target populations" to be met under IR2, condoms and AIDS prevention IEC materials will be available at or near relief and/or feeding centers.

Capacity Building: The MED SO will continue to manage and implement the SERA project that began in September 1997. The SERA project contributes toward the mutual USAID and DPPC objectives of decentralized capacity-building, enhanced food security and reduced chronic vulnerability to disaster through:

- developing reliable vulnerability profiles,
- conducting in-depth research and special studies on root causes of vulnerability, and
- strengthening response mechanisms through technical assistance.

Title II Integration: Under the previous strategic plan, Title II resources were utilized to support various activities of Cooperating Sponsors as part of the SpO, and were not integrated into the development assistance portfolio. The new ISP proposes a fundamental shift in this relationship:

- Title II sponsors will identify common objectives and results that they can share with new partners using DA funds to contribute to the DG, RHPP, ESHE-II, BESO-II, and MED SOs.
- All USAID SO teams have identified appropriate linkages and integration of DA resources within their respective portfolios.

In the context of the MED SO, Title II resources will be used to strengthen the emergency mitigation and response capacity of Cooperating Sponsors, as well as regional and local counterparts. Title II programs have mitigated the effects of the drought in target areas and provided the surge capacity needed to respond to the CY 1999 and 2000 emergencies. Working together with OFDA emergency programs, this capacity has been further enhanced and has greatly assisted in averting famine in 2000.

6.6. OTHER DEVELOPMENT PARTNERS

USAID/Ethiopia is the major contributor toward food security in Ethiopia followed by WFP and the European Union. According to food aid statistics for the period 1984-1999, USAID's contribution has totaled 27% of the overall food delivery to Ethiopia. The contribution made by WFP has also constituted 27%. However, over 25% of WFP's food aid program is usually resourced by USAID/Ethiopia. The European Union had a program level of 19.73% of food deliveries during 1984-1999. As is the case with USAID/E, both WFP and the EU implement their programs through Government and non-governmental counterparts. Food security interventions of most donors follow a similar approach: funding development programs implemented through NGOs, building

capacity of line ministries and regional bureaus through bilateral programs with the GFDRE, and responding to emergency situations as they occur, are the most popular modes of operation.

The World Bank will provide a \$400 million Emergency Assistance Package to the GFDRE. This will include \$230 million for an economic recovery credit program, targeted for reconstruction and rehabilitation projects in Tigray and Afar regions, and is repayable at no interest with a 0.5% service charge. It will be implemented over a period of 18-24 months.

The demining component in the proposed economic recovery program is for \$40 million and foresees a Humanitarian Mine Action Committee as part of the Prime Minister's office responsible for coordinating all aspects of mine action. World Bank funds will be utilized to establish a national humanitarian mine agency to provide equipment and materials to train 500 people within the demining agency, supervise battle area clearance and disposal, and conduct a follow-up survey after the clearance of landmines and UXOs. The World Bank plans to continue cooperation on the demining component with the UN Mine Action Service (UNMAS) and the UN Country Team. Under the proposed WB loan, there are also plans for strengthening six orthopedic centers for the rehabilitation of civilian victims of landmines/UXOs.

A similar credit arrangement for \$170 million is for demobilization. This program, the first supported by the World Bank in Ethiopia, plans to demobilize up to 60,000 troops in the first phase and up to 90,000 troops during the second phase.

7. DEMOCRACY AND GOVERNANCE STRATEGIC OBJECTIVE

7.1. THE DEVELOPMENT CHALLENGE

Ethiopia did not experience democratic governance until the implementation of the 1995 constitution. Although political space is increasing, it is still dominated by the governing coalition, the Ethiopian Peoples Revolutionary Democratic Front (EPRDF).³⁸ The constitution is based on the right of every Nation, Nationality and People in Ethiopia to “a full measure of self-government,” and the Universal Declaration of Human Rights. A successful multi-ethnic state in Ethiopia could demonstrate an alternative model to troubled democracies around the world.

The implementation of democratic systems continues, with slow and uneven movement forward. Despite the dual crises of famine and war, the GFDRE held credible national elections on schedule in 2000. Unlike 1995, there was no opposition boycott. New measures were introduced to finance opposition party candidates and to guarantee access to state-owned media. An unprecedented level of political debate was fostered by civil society organizations. Opposition candidates won about 7% of seats in the national parliament and about 30% of the seats in the Addis Ababa Regional Government, but attracted a much greater proportion of the popular vote. Preparations are underway for local government elections, to be held nationwide early in 2001. Most opposition parties are enthusiastically preparing to participate in them.

Although there continues to be concern about jailed journalists, the number is down from more than 20 to fewer than 10. Private newspapers (6 English and 30 Amharic) regularly take the Government to task on issues of the day. While there is no prior censorship on the private press, self-censorship probably continues. Legislation allowing privately owned electronic media has been passed, but not yet implemented.

Trials of former Derg officials are progressing with due process. Civil and commercial case backlogs are being resolved, and investors express confidence in the relatively low level of corruption in the system. Legislation has been passed to establish a Human Rights Commission and Ombudsman, and these new institutions will be staffed early in the life of the new parliament.

The GFDRE has adopted goals and programs to enhance civil rights, actions which encounter strong resistance or are adopted only half-heartedly in many comparable countries. Security of access to land, and intellectual property rights are examples of two areas where further progress is needed.

³⁸ The EPRDF is a governing coalition of allied parties which includes the Tigray Peoples Liberation Front (TPLF), representing the guerrilla movement which successfully overthrew the Derg in 1991.

There is increasing acknowledgement of the importance of civil society. The EPDRF's new Five-Year Program includes the goal of "strengthening associations that play a key role in the construction of the democratic systems," a visible step forward for a former centrally controlled state. The role of local NGOs in disaster mitigation and management has long been valued, but the GFDRE's acknowledgement of their value to other sectors is mixed. There are also differences of approach to the government-civil society partnership among the regions. An assessment³⁹ of the enabling environment for the Ethiopian NGO sector found a number of encouraging developments, including improvements in the registration process for NGOs and an explosion in collaboration between NGOs and Government agencies. The GFDRE is currently revising its law on NGO registration and has pledged that NGOs will be consulted in the process.

Progress continues on the very difficult issue of balancing federal and regional roles and responsibilities. Health and education sector development programs lead, with innovative approaches to revenue generation and retention. The Ministry of Finance is field testing budgeting and accounting reforms at the regional level. (USAID's Decentralization Support Activity (DSA), being conducted by Harvard University in partnership with the GFDRE, has been at the center of these reforms.)

A recently completed governance assessment by the UK Department of Foreign Investment and Development (DFID) remarked upon the growing body of literature on decentralization in Ethiopia. The report observed that "while numerous problems with policies, systems and capacity are identified, nowhere is it suggested that the regionalization process is anything less than a genuine attempt to transfer real authority to lower levels in the system." Given the 200 plus years experience of the United States with defining "state rights," the Ethiopian process is likely to continue for some time.

The Strategic Planning Update Cable (see Annex 7) raised the concern that USAID support for Ethiopia's constitutional system of "ethnic federalism," risks violating the development tenet "to do no harm." The federal system is controversial in its recognition, and some might say encouragement, of political division along ethnic and tribal boundaries. It is worth noting that the unease is found particularly among diaspora opponents of the current regime and some, by no means all, of the legal opposition within the country. As Ethiopia's leading constitutional scholar has observed,

This rather unusual constitutional approach has been hailed, on the one hand, as a stroke of genius that will uplift Ethiopia from its age-old backwardness and, on the other, as the sign of the first cracks for disintegration. Could both be correct in that the outcome depends on how the instrument is employed, just as the atom, as a fantastic source of energy, can be used either to greatly benefit mankind or send it to its doom? (Fasil Nahum, *Constitution for a Nation of Nations: The Ethiopian Prospect*, Lawrenceville, New Jersey, 1997, p. 51).

³⁹ Carried out by USAID grantee PACT in early 2000.

There is a risk that the Ethiopian constitutional experiment will fail. However, as Prime Minister Meles recently observed, approaches to ethnicity in Africa that "wish it away, pretend it doesn't exist" or "create some kind of amalgam" have failed. Ethiopia's approach has prevented a country incorporating more than 80 nations, nationalities and peoples, from disintegrating like the Soviet Union or Yugoslavia.⁴⁰

While not unmindful of the risks, the U.S. Mission in Ethiopia has made a studied decision to support Ethiopia's constitutional experiment. As stated in the MPP, "All country team elements will support the strengthening of Ethiopia's fledgling democratic institutions, with emphasis on institution building within the context of Ethiopia's existing constitutional structure of ethnic federalism." USAID is committed to this aim as reflected in the strategic objectives proposed in this ISP. USAID/Ethiopia strongly supports the principle that decision making should be devolved to levels of governance close to the people affected by the decisions.

7.2. GFDRE RESPONSE TO CHALLENGE

The EPRDF was returned to power for an additional five years with a substantial yet diminished majority in the year 2000 national elections. The Government has responded to the challenges of consolidating democratic governance in several ways. Some key policies are summarized below.

The Civil Service Reform Program: Under the prior Transitional Government of Ethiopia, a civil service task force identified five key areas for improvement:

- focus on the management of inputs rather than the achievement of outcomes,
- failure to review services, regulations and activities inherited from prior regimes,
- excessive hierarchy within the civil service and little real delegation,
- low pay and lack of adequate skills among civil servants, and
- significant instances of corruption.

In 1996, the GFDRE addressed these concerns by adopting a Civil Service Reform Program (CSRP) consisting of: expenditure management and control, human resources management, top management systems, service delivery, and ethics. The overall goal of the reform effort is to develop a civil service capable of achieving Government priorities efficiently and effectively, and promoting democracy and federalism. The latter includes the devolution of authority and responsibility for development to regional and local governments, and the establishment of standards of government performance and accountability.

Capacity Building Strategy and Program Framework: Issued by the GFDRE in December 1998, this policy document recognizes that the achievement of development goals will be achieved "through a democratic and federal system characterized by popular participation." This requires enhanced capacity from the lowest level of government to

⁴⁰ Remarks from a speech at Harvard University's Kennedy School of Government in September 2000.

the highest, as well as among NGOs and the media. The Framework calls for civil service and legal reform, with a focus on education and health bureaus as “these, despite their low capacity, are the main implementers of the extensive Sector Development Programs.”

Evaluation of Program Execution and the Second EPRDF Five-year Program of Development, Peace and Democracy: At the end of its first term in office in 2000, the governing coalition released two documents: a formal evaluation of its first five year program, and the draft of its second five year program of development, peace and democracy. The Second Five Year Program evaluates what went right and what went wrong during the EPRDF’s first term in office and rededicates itself to such values as “developing democratic state structures,” expanding the “culture of democracy,” and “building participatory democracy.”

Ethiopia Interim Poverty Reduction Strategy Paper 2000/01-2002/03, September 2000: In line with current World Bank thinking, Ethiopia is preparing a Poverty Reduction Strategy Paper (PRSP). The problem of food security is, in essence, the problem of poverty. The Interim PRSP incorporates the earlier CSRP and Capacity Building policies, noting that they meet a “key purpose of second generation reform for achieving economic development.” Decentralization and empowerment receive particular emphasis as a means of “tackling poverty directly at the grass root level,” enabling “meaningful participation by the people in local development programs.”

National Policy for Women: The 1993 policy and specific provisions of the 1995 constitution declare the GFDRE's unequivocal commitment to the equitable socioeconomic development of women. Implementation of the women's policy is proving to be a challenging task. A 1998 review⁴¹ concluded:

Despite the commitment to equitable public policy ... regional development plans are, for the most part, gender-neutral (except in certain welfare-oriented areas like health and education). Interventions for women largely consist of a number of ad hoc and unconnected self-standing projects...If this persists, mainstream development plans will remain... ineffective in delivering benefits to women...Development interventions will then not be sustained in the long term.

The document provides a blueprint for addressing these concerns. It specifically advocates mitigation of the impact of inequitable customary laws, increased access of women to economic and productive resources, and better access for women to legal remedies. Development programs require increased participation of women, enhanced capacity at the regional level to address women's issues, and improved development planning based on gender-disaggregated data for more gender-sensitive programs.

⁴¹ "Implementing the Ethiopian National Policy for Women: Institutional and Regulatory Issues"(Women's Affairs Office and World Bank, 1998, p. 2).

7.3. PRIOR USAID ASSISTANCE IN DG IN ETHIOPIA

The 1991 collapse of the Derg regime and the establishment of the Transitional Government resulted in a rapidly evolving political environment. USAID/Ethiopia's support to democracy and governance began in 1992. A 1994 evaluation recommended refinements in this strategy. In that same year a results framework was formulated for the SO that captured programs ongoing since 1992 and identified future areas of activity. The major areas were fiscal federalism (i.e. decentralization), the judicial system, the legislature, electoral administration, and civil society. The sub-areas were the media, human rights, and electoral systems.

The Mission initiated a major review/evaluation of the DG activity in 1997 to reassess the operating environment, develop a framework, provide overall coherence, and establish priorities for future initiatives. This review concurred with USAID/W reactions to the FY 1999 R4, urging stronger focus to the DG program. The result was the current three IRs: *effective and participatory decentralization, strengthened judicial system, and organized societal participation to advance community interests increased*. Substantial impact has been achieved under each of these activities.

The financial reforms carried out by USAID's contractor, Harvard University, in cooperation with the Ministry of Finance have been the most successful activities under the CSRP. The accounting system has been overhauled. More than 4,000 accountants have been trained on the revised GFDRE accounting system. The backlog in clearing accounts has been halved. A new budget calendar has been adopted and reforms in the budget and planning systems are well advanced at the Federal level.

USAID financed the first judicial training program (1997-98) for judges throughout the country, right after the re-organization of the judiciary and the establishment of the GFDRE. This had a major impact on the performance of the courts. The Mission financed a major workshop on international humanitarian law designed to share experience and provide a common background for genocide trials of Derg officials. USAID supported a program by the Federal Courts that reduced the backlog of undecided cases by one third. USAID financed a countrywide evaluation which serves as the key background document for the judicial training program proposed for the ISP.

Through Pact, USAID has provided capacity building support to 85 local NGOs involved in food security, health, education, orphans and street children, and democracy and governance. USAID support has helped NGOs form networks in micro-finance, education, help for street children, and voter education. As a result, NGOs are more credible partners with the Government for discussing policy and implementing programs. The Mission supported the Ministry of Justice in the drafting of revised NGO legislation, building bridges between the Ministry and the NGO community.

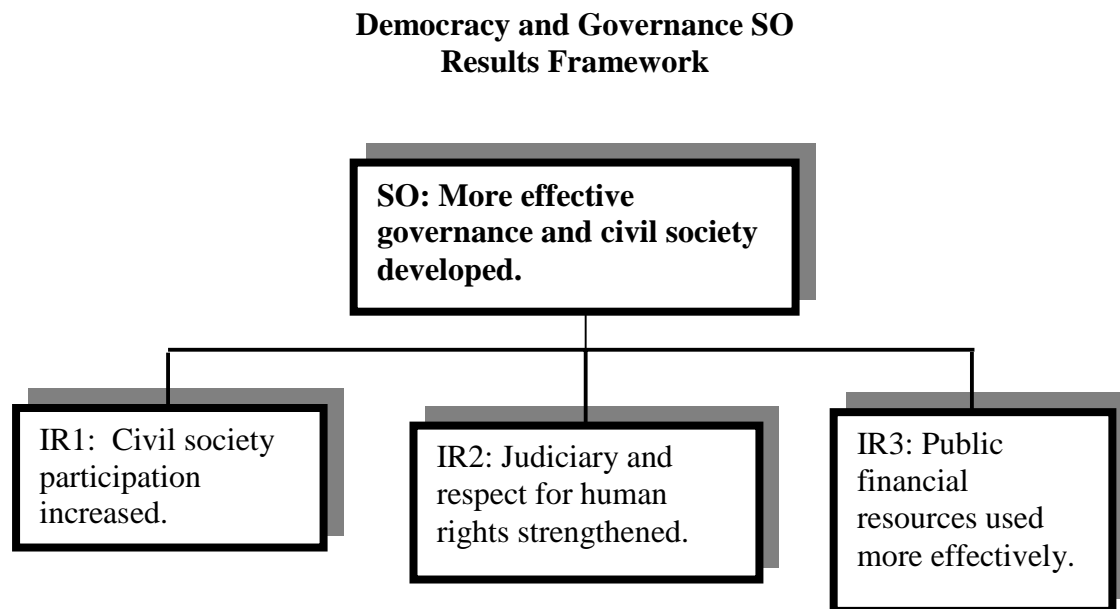
7.4. DG SO RESULTS FRAMEWORK AND KEY PARAMETERS

7.4.1. DG SO Results Framework

The new Strategic Objective is *more effective governance and civil society developed*. There are three primary IRs:

- IR1, *civil society participation increased*.
- IR2, *judiciary and respect for human rights strengthened*.
- IR3, *public financial systems strengthened*.

The results framework is presented graphically in the figure below.



The program will be implemented at the national level, with regional or sub-regional focus dictated by activity-specific needs.

7.4.2. Program Rationale

Both the GFDRE and USAID attach considerable importance to the development of democratic governance. These issues are at the heart of Ethiopia's considerable developmental challenge, and underlie all development strategies and programs. There is a strong link between further work in democracy and governance and the Mission goal of reducing food security. A growing body of research suggests that famines are less likely

to occur in democracies.⁴² IR3 is firmly targeted on the effective use of GFDRE financial resources in all areas, including those related to food security.

Continued support to democracy and governance in Ethiopia is in line with U.S. national interests and Agency goals. As the MPP notes, “if democratic institutions do not take root over the next decade, it is unlikely that Ethiopia will be able to contain political tensions, and will increasingly face the danger of fragmentation along ethnic and regional lines.” Three areas: civil society, judiciary and human rights, and the more effective use of public resources form the crux of the new DG SO. These areas are chosen because they build on previous work in which USAID has developed an acknowledged comparative advantage, they are in accord with the priorities and wishes of the GFDRE, and they are responsive to the recently assessed needs of Ethiopia.

The elimination of other activities was in accordance with changes in Mission focus and with steps being taken by the GFDRE. USAID has determined that further sustained assistance to development of Ethiopia's electoral system is not a high priority. This is in keeping with the preferences of the National Election Board, which much prefers to run Ethiopia's elections with its own resources. Some assistance to the free and independent media is being provided through FY 2000 Education for Development and Democracy (EDDI) funds, and additional efforts are being undertaken by the Embassy's Office of Public Diplomacy. Corruption is a problem inherited from the previous regime, but the Government is taking steps to address it, most notably the trial and imprisonment of former Deputy Prime Minister Tamrat Lane. Compared to other countries in the region, the level of corruption is low.⁴³

7.4.3. Relationship of SO to GFDRE Policies, Programs, Challenges

The DG SO is consistent with GFDRE policies and priorities as articulated in the EPDRF Five-Year Plan, the Civil Service Reform Program, and the GFDRE's Capacity Building Strategy and Framework. It is also consonant with objectives of major policies guiding other USAID SOs. These include the emphasis on decentralized financial systems under the health and education sector development programs and the national food security strategy, and the imperative to enforce respect for women's rights as articulated in the national policy for women.⁴⁴

⁴² The word “famine” refers to widespread morbidity and mortality as a result of food shortage. Drought can, of course, occur in any country regardless of the system of governance. Amartya Sen, the Nobel Prize-winning Harvard economist, stated “It is not surprising that no famine has ever taken place in the history of the world in a functioning democracy- be it economically rich...or relatively poor. Famines have tended to occur in colonial territories governed by rulers from elsewhere...or in one-party states...or in military dictatorships...” (Sen, Amartya K., *Development as Freedom*, NY, Alfred K. Knopf, 1999, p. 16.)

⁴³ Ethiopia is not ranked among the 100 countries which figure in Transparency International's most recent (1999) Corruption Perception Index. The African Competitiveness Report 2000/2001 places Ethiopia 11th on a list of 26 countries in terms of perceived corruption, with a score of 11.1 on a scale in which 16 is “clean” and 3 is “very corrupt.”

⁴⁴ For further details of gender analysis please see Annex 6.

7.4.4. Critical assumptions

- The GFDRE remains committed to democratic governance.
- The GFDRE remains committed to the CSRP and its coordination with other Government reforms.

7.4.5. Key Intermediate Results and Illustrative Activities

**IR1:
Civil society
participation increased.**

Ethiopians have a rich tradition of organizing to address community problems. It has been estimated that there are about 200,000 organizations in Ethiopia, the great majority of them traditional and community-based. The community, administration, and teachers recognize local school committees as having a role in school management. In response to the Government's increasing openness, new groups addressing individual and/or community needs are emerging. The term "civil society" occurs with increasing frequency in the public discourse of Government officials, the private sector, and NGOs.

USAID supported Ethiopian NGOs in their dialogue with the Government about their role, rights, and responsibilities within Ethiopian society. USAID/Ethiopia will continue this generalized support for advocacy and capacity building on a more modest scale, and direct more attention to Ethiopian NGO capacity-building and program support grants that are related to specific Mission SOs.

USAID has extensive and successful experience working with CSOs in various ways. The new IR will adopt a more holistic approach, bringing together strands of activity that previously were conducted in isolation.

Illustrative activities to achieve IR1 include:

- localizing capacity building support for civil society organizations (CSOs) across the Mission portfolio,
- strengthening and supporting CSO networks,
- strengthening and supporting CSOs working to reinforce fundamental human rights, with a particular emphasis on the rights of women, reproductive health rights, and persons living with HIV/AIDS,
- strengthening the ability of CSOs across sectors to promote a "culture of peace,"
- promoting advocacy groups, and working cooperatively with the Government to identify the appropriate role for civil society in the policy process, and
- establishing a grant-making capacity to fund selected CSO activities in support of strategic objectives across the Mission portfolio.

The DG SO team will work closely with other SO teams to coordinate support to CSOs. Of particular importance will be providing shared TA and training to CSOs/NGOs in

areas of common concern. For the ESHE-II SO, topics of common concern include the rights of women, reproductive health rights, and persons living with HIV/AIDS. The DG team will collaborate closely with BESO-II NGO partners to promote a "culture of peace" for school children and their families. The DG team will also work closely with the RHPP SO implementing partners to assure attention to women's rights, land tenure and access to credit. DG will collaborate with the MED SO to establish the Ethiopian-Eritrean Border Development Fund to ensure that experience and lessons learned working with CSOs are applied in this new setting.

**IR2:
Judiciary and respect
for human rights
strengthened.**

The Second Action Plan of the EPRDF reiterates the Government's commitment to strengthening the judiciary and augmenting its independence. Ethiopia's federal system is reflected in the country's judicial system. The Federal Supreme Court, the Federal High Court, and the Federal Courts of First Instance constitute a single federal judiciary and have jurisdiction over all cases arising

under national law. There are three levels of court within each regional state, which have jurisdiction over regional matters. Under the constitution, there is a degree of concurrent jurisdiction between the federal and state courts. State Supreme Courts exercise the jurisdiction of the Federal High Court and Federal First Instance Courts. There are approximately 1,450 sitting judges in the various courts of Ethiopia.

USAID's field assessments identified the following key problems:

- The professional experience and exposure of judges in all levels of the courts is low.
- The codes and procedures are forty years old, and not always in harmony with Ethiopia's new Constitution.
- The courts do not have enough copies of judicial codes and procedures, or other references.
- Judges do not have ways of communicating with each other or with the wider world.
- Codes and guidelines in use are vague or subject to various interpretations.
- Substantial delays occur in the judicial system.

USAID/Ethiopia will expand upon its successful support for a more fair and efficient judicial system. The new program shifts the emphasis from short-term, emergency training to the long-term professional development of judges. USAID will upgrade the quality of training judges receive, and extend this training to other officers of the court and those involved in alternate systems of dispute resolution or management (such as traditional arbitration committees (*shemagellotch*) or groups of elders). Extending training to other officers of the courts will improve the enforcement of judgements; training those involved in alternative dispute mechanisms will extend the rule of law beyond the court system. This intermediate result will also enhance the access of judges and arbitrators to the law, precedents and other pieces of information needed in making their judgements.

Problems in the judicial system hamper Ethiopia's ability to address the ambitious human rights agenda embraced by the Constitution. This is a growing issue for civil society organizations and the public at large. Continued delays in the judicial system will retard the economic growth required to achieve the goal of food security. A recent study ranked Ethiopia 21st among 24 African countries for having a "quick legal system."⁴⁵

While working with the judiciary to enhance its capacity to deliver justice, USAID will also support CSOs demanding that the system live up to its commitment to human rights. This objective will focus on rights of women and legal and customary inequalities that impede their full participation in the Ethiopian society and development, whether these inequities exist in the substance of the law (civil law), interpretation and enforcement of the law, or culture of the law.

Illustrative activities to achieve IR2 include:

- extending institutionalized judicial training downward from the federal to district courts and to Addis Ababa municipal courts,
- incorporating emphasis on human rights at all levels of training, with particular emphasis on rights of women and those affected by HIV/AIDS,
- improving the availability of legal resources materials, including legal codes and support, for law libraries in the courts,
- exploring internet applications, including links between the courts, establishment of an on-line Ethiopian legal database, and access to legal databases such as Lexus, and
- exploring adoption of Alternative Dispute Resolution (ADR) techniques to ease the burden on the courts and to speed up the judicial process.

For IR2, USAID's SO teams will collaborate to assure that the judiciary is trained, informed, and equipped to address new issues as they arise. The DG team will collaborate closely with the ESHE-II reproductive health team on improving reproductive rights for women and girls, including such issues as female genital mutilation, contraceptive security and raising the legal age of marriage. There will also be some shared outcomes related to HIV/AIDS as the program scales up. The DG team will also collaborate closely with the RHPP team on land tenure and food security issues. Finally, the DG team will work closely with the disaster MED team on critical post-conflict issues. Preliminary issues requiring attention include clarification of questions on the legal definitions of Ethiopian and Eritrean nationality and citizenship, to reduce future sources of discord, and development of systems for dealing with claims for compensation and reparations for losses incurred during the war.

⁴⁵ World Economic Forum, The Africa Competitiveness Report 2000/2001, New York, Oxford University Press, 2000, p. 286.

**IR3:
Public financial
resources used more
effectively.**

The ability of a government to maintain its legitimacy depends in large measure on its ability to effectively respond to the demands of its citizens. This ability in turn depends on the government's ability to effectively manage resources. To ensure increased citizen access to

government, Ethiopia has committed itself to breaking down the centralized forms of government it experienced during the periods of the Emperor and the Derg regime, building a federal system of government, and devolving authority and responsibility for development to local and regional governments. To this end, the GFDRE is undertaking the civil service reform, including components that seek to improve the management of public financial resources. IR3 will support government reforms related specifically to management and expenditure control and those elements of leadership reform that link directly to budget planning and execution.

The effective use of public financial resources is constrained by:

- inadequate forecasting of public resources and expenditure,
- lack of multi-year expenditure planning linking Government policy to the annual budget,
- a dual (capital and recurrent) budget which impairs effective expenditure composition, and
- non-adherence to a financial calendar which promotes the systematic preparation and execution of expenditure plans and the budget.

Within the context of the civil service reform program, USAID will work with the Ministry of Finance and MEDAC to address these constraints. Efforts will focus on three primary components:

- planning public expenditure to ensure that policy governs expenditure,
- managing expenditure through budgeting, accounting and disbursement systems, and
- controlling expenditure through improved financial reporting and more comprehensive accounting procedures.

Addressing these components will result in improved macro forecasting of resources and expenditures, resources allocated according to Government priorities, and comprehensive and timely accounting and reporting of expenditures and assets. Over the past three years, USAID/Ethiopia has supported the development of new systems and procedures to achieve these results. The task now is to assist the Ministries of Finance and Economic Development and Cooperation to complete these activities and to roll these new procedures out to the agencies that must begin to use them at decentralized levels.

Illustrative activities to achieve IR3 include:

- developing the Public Investment Program in all regions,
- expanding the Public Investment Program to a Public Expenditure Program, which plans capital and recurrent expenditure on a three-year rolling basis,
- coordinating development of the investment and expenditures programs and implementation of the health and education sector development programs at national and regional levels,
- preparing (with Government spending agencies) procurement plans and forecast of funds requirements based on cost centers, and
- introducing consolidated banking accounts and streamlined disbursement procedures.

Under IR3, USAID and the Ministry of Finance will give priority to piloting and rolling out the planning, budgeting, and accounting reforms in USAID focus sectors and regions.

7.4.6. Preliminary Performance Monitoring Plan

The performance measures for the current DG SO are the approved indicators and targets initially approved with the 1995-2000 CSP, as they have evolved in subsequent R4s. The current indicators and targets will be reported on through at least their completion in FY 2000 (or the FY 2003 R4). The proposed performance measures for the new DG SO are presented in the table below, and will be further developed in consultation with USAID's partners over the next year. USAID/Ethiopia's reporting on the new DG SO framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 submitted in February 2002.

DG SO Preliminary Performance Indicators

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
SO: More effective governance and civil society developed	SO Ind. 1: Extent to which the federal and regional governments and their public bodies utilize the new planning, budgeting and accounting systems.	2001	0%	100%
	SO Ind. 2: Rating on African Competitiveness Report “Quick Legal System” scale. ⁴⁶	2001	5.04	4
IR1: Civil society participation increased	Ind. 1.1 Number of documentable advocacy actions undertaken by CSOs/NGOs, by region and by type of action.	2001	TBD	TBD
	Ind. 1.2 Number of NGOs registered, by region and by type (including gender-specific NGOs).	2001	TBD	TBD
IR2: Judiciary and respect for human rights strengthened	Ind. 2.1 Number of cases reversed by Appellate Courts (proxy for competency of lower court judges).	2001	TBD	TBD
	Ind. 2.2 Percentage of judges that have access to compiled Federal and Regional proclamations in their courts.	2001	30%	100%
	Ind.2.3 Backlog of cases at Federal and Regional State Court levels: number and % of cases more than two years old.	2001	TBD	TBD
IR3: Public financial resources used more effectively	Ind. 3.1 Public expenditure priorities reflected in the annual budget and reviewed by representative bodies. Note: This will be a composite index based on data generated at Regional and Federal public body level by year	2001	0%	100%
	Ind. 3.2 Average number of months for closure of accounts by Region and by Federal public body	2001	24	6

Note: **SO Ind. 1:** "Extent to which the Federal and Regional Governments and their public bodies utilize the new planning, budgeting and accounting systems" will be an aggregate index derived from data on utilization of each reform generated by region and by Federal public body, weighted by aggregate budget share, each year.

⁴⁶ The “Quick Legal System” index is based on a scale from 1 (always) to 6 (never) in response to the question “In resolving business disputes, do you believe your country’s court system to be quick?” The survey is conducted every two years. In 2000-2001 Ethiopia’s score of 5.04 placed it 21st among 24 African countries. World Economic Forum, The Africa Competitiveness Report 2000/2001, New York, Oxford University Press, 2000, p. 286. Although focused on business disputes, it is regarded as a proxy indicator for the speed of the court system as a whole.

7.5. LINKS TO CROSS-CUTTING THEMES AND OPPORTUNITIES

Nutrition: IR1 activities will strengthen organizations engaged in advocating that access to food is a basic human right, as well as nutrition related service delivery and poverty reduction. Under IR2 there will be an emphasis on supporting organizations that advance the idea of access to food as a basic human right, as well as incorporating this theme in the training of judges at all levels. IR3's work on public financial resources used more effectively is expected to have beneficial impacts across all activities of Government, including those dealing with nutrition.

Capacity Building: Each of the three IRs has a strong link to capacity building, as defined by the GFDRE. IR1 focuses on raising the capacity of the civil society sector by helping civil society organizations to become more effective and, thereby, enhancing their status as partners with Government in carrying out development related activities. IR2 targets the capacity of the judicial system to deliver justice in a timely fashion. IR3 directly supports the capacity of the GFDRE to manage public financial resources across the board.

HIV-AIDS: IR1 will enhance the capacity of relevant NGOs with regard to both service delivery and advocacy. IR2 will promote the human rights of persons living with HIV/AIDS, their dependents, and their survivors, as an issue in the training of judges and the support of advocacy organizations. IR3 financial reforms in the health sector will enhance the efficient use of financial resources in areas which include addressing HIV-AIDS issues. Given the planned increase in financial resources to a sector whose absorptive capacity has recently been overwhelmed, this is particularly important.

Integration of DA and Title II Resources: Under IR1, in collaboration with Title II Cooperating Sponsors, the DG SO may provide capacity building assistance (finance, accounting, strategic planning, etc.) for Ethiopian NGOs accessing Title II resources.

7.6. OTHER DEVELOPMENT PARTNERS

There are numerous bilateral and multilateral donors currently or potentially engaged in the DG sector in Ethiopia. USAID's activities are coordinated with these through GFDRE mechanisms and USAID's active attention to the need for continuing articulation. USAID has served as a catalyst and sought to leverage other donor resources in support of its priorities. With regard to the areas of activity proposed under the three IRs:

IR1, *civil participation increased*, involves a myriad of donors, both multi-lateral and bilateral, supporting civil society organizations in various ways. Other actors working in civil society strengthening and civil society environment enhancement include OXFAM Canada, and the Christian Relief and Development Association (CRDA). Coordination takes place through both formal and informal mechanisms. The trend for close collaboration and the establishment of consortia is increasing.

IR2, judiciary and respect for human rights strengthened: Other major donors to the judicial system include CIDA with a major (\$3,393,000) court administration project and Swedish Radda Barna, which has a juvenile justice program. USAID has sponsored periodic meetings of the Judicial Training Advisory Committee presided over by the Vice President of the Supreme Court and including the presidents of the supreme courts of each of the nine regional states and the Addis Ababa Municipal Court. Other donors to the judiciary include Spain, Finland, the Papal Nuncio, Ireland, Switzerland, Freidrich Ebert Foundation, and the International Committee of the Red Cross. Some NGOs have been active in training judges at a more limited level, in particular regions or at social court level, and in supporting the reduction of the backlog of cases. The World Bank has recently expressed an interest in working with the judiciary, and USAID has encouraged this interest.

Beyond the judiciary, donors who are engaged with the Ministry of Justice side of the justice system include Norway and France. A number of bilateral donors support the justice-related activities of Ethiopian civil society organizations such as the Ethiopian Women's Lawyers Association.

IR3, public financial resources used more effectively, relates in particular to the CSRP. USAID's past and current activities under the Decentralization Support Activity have made it the lead donor in the Expenditure Management and Control Sub-program. IR3 builds on USAID's recognized experience and comparative advantage in this field. The other major donor supporting the Expenditure Management and Control Subprogram is UNDP, which also supports several other CSRP subprograms. Total UNDP commitments to the CSRP amount to \$12,900,000. No other donor has currently committed more than \$500,000. Additional current or potential CSRP supporters include the European Commission, whose support of the Financial Information Systems activity is in progress; the UK Department of Foreign Investment and Development (DFID), whose support for the external audit activity has been delayed by the conflict with Eritrea, Canadian International Development Agency (CIDA) which has supported selected aspects of the Ethics Subprogram, and Finland which has expressed an interest in supporting the external audit activity.

Donor support to the Civil Service Reform Program is coordinated through the CSRP Coordination Unit within the Prime Minister's Office. An evaluation conducted for UNDP during 1999 pointed to the need to strengthen the role of the CSRP Coordination Unit. USAID actively supports greater coordination in this area and has encouraged the UNDP to take the lead in this.

One of the major challenges has been to improve articulation between the CSRP and the education and health sector development programs (ESDP and HSDP) to which USAID is a major contributor. The most important problem encountered both with the CSRP and between it and other major programs has been one of fit and sequencing. Often progress in one area, for example budget reform, needs to go hand in hand with progress in another, for example financial information systems.

8. SOUTHERN TIER INITIATIVE SPECIAL OBJECTIVE

8.1. THE DEVELOPMENT CHALLENGE

International border areas in the Horn of Africa have important economic and ecological characteristics that distinguish the region from other parts of Africa. Most of these areas are characterized by low-altitude arid and semi-arid environments and livestock-based pastoral economies.

The arid and semi-arid pastoral areas make up approximately 60 percent of Ethiopia's land mass. At an altitude of less than 1500 meters, with annual rainfall of less than 700mm, these areas have an estimated population of 6 million people (nearly 10% of the total population). A significant portion of Ethiopia's livestock population lives in these areas, estimated at 9 million cattle, 6 million sheep, 13 million goats, and 1 million camels.

Pastoralist areas remain among the least developed parts of Ethiopia. Infrastructure is poorly developed or non-existent; vast areas have no roads, schools, health facilities, or telecommunication services. Levels of absolute poverty are high, and most of Ethiopia's pastoralists are forced to survive on external food aid for several months every year. Not surprisingly, over 71% of children under 5 years of age in the target area are stunted. This rate is significantly higher than the national average.

The harsh environment, combined with ineffective social and political coordination, has sometimes resulted in conflict over control of available resources. Competition over access to water for humans, livestock and small-scale irrigation, land for farming and pasture are principal sources of social tension, as are access to health, education and other Government-provided services beyond the primary towns in the region. Seasonal migrations of livestock in search of pasture and water, coupled with the strict cultural obligation to extend hospitality to refugees (and their cattle), regularly stress social and political structures and systems. The Government's expectation of allegiance, and respect for its laws and procedures, often competes with traditional methods of negotiation, trade, population movement and conflict resolution.

Livestock dominate local patterns of trade and production. The southern rangelands, covering the whole of the Borana plateau, are an important market for unofficial livestock trade from Ethiopia to Kenya and, secondarily, to Somalia. According to local traders, these unofficial channels supply consumer markets in Kenya and Somalia, and are re-exported to the Middle East. Foodstuffs and other consumer goods flow in the reverse channel. The structure of the goods traded in the border areas, as well as lowland and highland linkages to the interior, suggests important wider implications for food security in the area.

Food security is based on the combination of livestock products and purchased non-pastoral products. During the dry season, pastoralists shift their diet from livestock to purchased food grain, paid for by animal sales. At that time of year, livestock markets are characterized by a high supply of animals in poor condition, while increased demand drives food grain prices higher. These market dynamics significantly decrease pastoralists' purchasing power.

Food insecurity and the competition for the land and water resources contribute to environmental degradation, further increasing the competition for resources. Efforts to help pastoralists use available resources more efficiently will break the cycle by increasing food security, lowering the potential for conflict, and reducing environmental degradation.

8.2. PRIOR RELATED USAID ASSISTANCE IN ETHIOPIA

In a substantial body of literature covering pastoral development issues, evidence of sustained, positive impact on pastoral communities is very limited. Two main types of activities characterize the few successes. Relatively small-scale and long-term NGO efforts have tried to develop pastoral institutions, which can take responsibility for the management of local services and act as a political bridge between pastoralists and Government. Typically, animal health inputs have been an important starting point for these projects. Community-based animal health activities have developed basic veterinary services in some pastoral areas and are beginning to demonstrate impressive results in terms of both disease control and improved pastoral livelihoods. Although primarily focused on animal health, in some cases these activities provide a basis for broader development activities, particularly in the areas of local conflict resolution and human health services.

USAID/Ethiopia completed a thorough problem analysis based on existing research (see Annex 2.6) and a joint assessment with GFDRE national and regional Governments. Pilot efforts have emerged, grounded in the successes noted above, in pastoralist projects.

Animal Health Care

Save the Children, USA (SCF/US) is implementing an animal health activity in the Liben and Afder zones of the Somali Region. With local authorities, SCF/US has established a Vet Scout Association, responsible for coordinating and improving livestock health care in the area. The Association trains Community Animal Health Workers (CAHWs) and provides administrative support. Twenty-one trained CAHWs are now operating in their communities, and have vaccinated 460,993 animals and treated 23,343 animals. CAHWs offer services for a small fee and have found livestock owners willing and able to pay for their services, even in low-income areas. The CAHWs can generate sufficient income to provide for their own needs, thereby making animal health care available for pastoralists on a sustainable basis. Based on the success of this project, the Somali Regional Government has mandated the privatization of animal health in the region.

Alternate Savings and Investment

The Pastoral Risk Management Project (PARIMA) of the Global Livestock Collaborative Research Support Project (GL/CRSP)⁴⁷ is working with local Borana and Gugi communities in Oromia to improve access to savings and credit institutions. PARIMA research has shown that pastoralists in southern Ethiopia and northern Kenya have lost over \$1 billion in livestock wealth due to drought-related mortality over the past 20 years, 10-15 times the value of marketed livestock output over the same period. This illustrates the negative effect of the traditional tendency to keep livestock as long as possible during a drought, combined with poor marketing infrastructure and lack of rural financial services.

The ultimate goal of this activity is to capture wealth otherwise lost in livestock deaths and convert it into investment capital for locally identified development projects. Pastoral communities that diversify to include non-livestock assets reduce their susceptibility to drought shocks. Creating a rural finance system is the first step in a process of wealth conservation that will then increase the capacity of households to better manage risk. The strategy promotes more timely livestock sales in combination with options to save and re-invest sale proceeds in anticipation of crisis, rather than merely in reaction to crisis.

Economic Diversification

Providing rural financial services is the first step in a diversification process. Savings can be re-invested in options such as improved animal health capacity, rehabilitation of range resources, small-scale business enterprises, regional trading, urban property, and developing human capital in terms of health and primary education.

PARIMA has identified successful local examples of economic diversification that can be transferred within the region. Once targeted communities identify simple diversification options, PARIMA facilitates pilot implementation, with community savings and credit cooperatives. Process indicators include numbers and types of individuals and households involved in diversification activities as well as their social and economic attributes of involvement.

Mechanisms for Conflict Resolution

Save the Children/US has implemented a pilot project designed to improve the ability of local formal and traditional leaders to mitigate disputes and reduce social tensions through the art of negotiation. This structured process gathers information, identifies social stresses and convenes meetings among local leaders to improve cooperation, and reinforce the roles of local leaders. A team of Addis Ababa University conflict specialists undertook an assessment of conflict and mitigation mechanisms for the Liben and Afder Zones, and completed a capacity building training manual. The manual has

⁴⁷ The GL/CRSP is funded by USAID's Bureau for Global Livestock Field Support and Research.

been successfully pilot tested and the district level Government has requested SCF/US to expand the project in other districts.

Livestock Marketing and Cooperative Development

USAID/Ethiopia is presently supporting the Ethiopian Livestock Marketing Authority to design a livestock market price information and dissemination system. A pilot activity will focus in the Southern Tier area, and eventually expand to a national system.

USAID/Ethiopia is supporting efforts by the Oromia Government and Volunteers for Overseas Cooperation and Assistance (VOCA) to expand cooperative development activities to the pastoral areas, and is supporting an assessment of irrigation and water use practices in the Somali region, to identify potential low-cost technical approaches to irrigation and recommend potential cropping systems for agro-pastoralists.

8.3. THE SOUTHERN TIER INITIATIVE RESULTS FRAMEWORK

8.3.1. Results Framework and Key Parameters

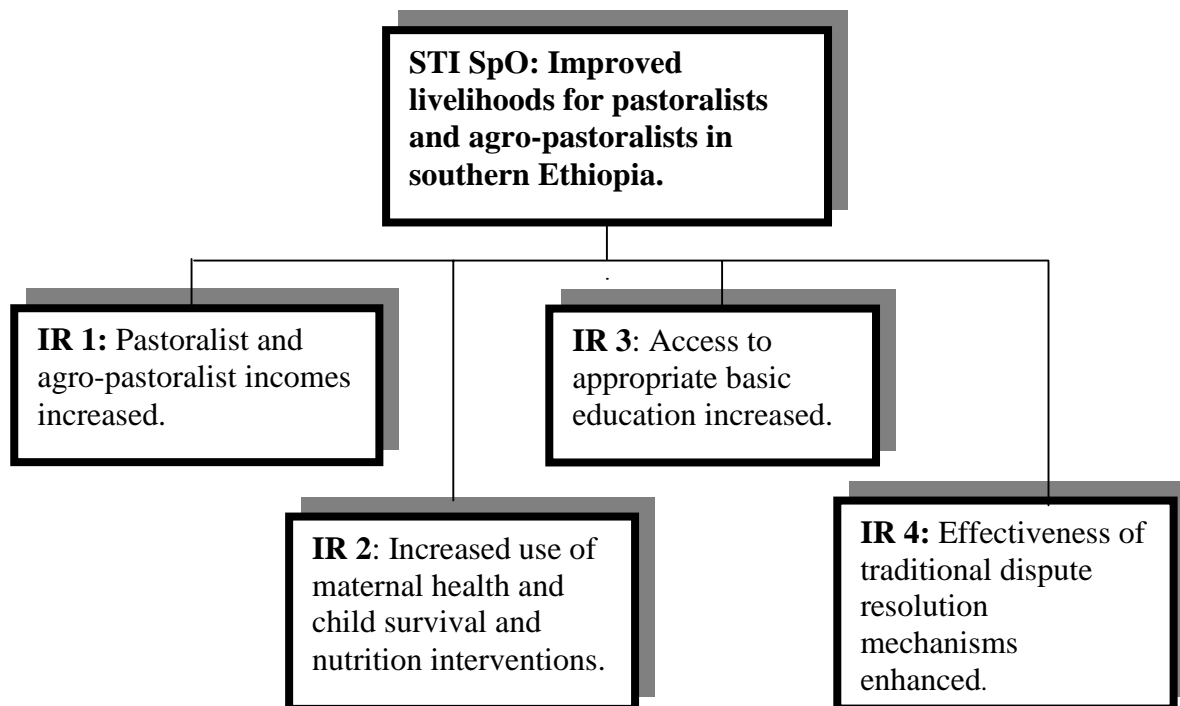
The proposed SpO, *improved livelihoods for pastoralists and agro-pastoralists in southern Ethiopia* (STI SpO), builds upon USAID's past experience, the GFDRE National Food Security Strategy (NFSS), and close collaboration with GFDRE national and regional officials and stakeholders. The STI SpO will focus integrated pilot activities in border areas to increase incomes, improve access to primary health care and education, and enhance the effectiveness of traditional dispute resolution mechanisms. The target area is the Borana zone of the Oromia Region and the Liben and Afdar zones of the Somali region.

The Mission will broadly share its experience and lessons learned with Government agencies and NGOs working in pastoral areas. The Mission will integrate Title II Cooperating Sponsor activities, to reinforce their contribution to the achievement of the SpO. Indicators that will measure the magnitude of change in target areas include increased household income, increased access to primary health care, improved nutritional status of children (stunting), increased access to primary education, and reduced conflict. The results framework is presented graphically in the figure below.

8.3.2. Program Rationale

Two fundamental premises underlay development efforts for this program. First, feasible development investments in these regions can improve and stabilize the socioeconomic status of communities in the target area. Second, development activities in pastoral regions must be addressed in a holistic rather than sectoral manner. A major focus of the special objective is increasing the incomes of pastoralist or semi-pastoralist families. It is seen as a first step in helping them address other problems associated with poverty, including food insecurity, limited access to health and education services, and environmental degradation.

Southern Tier Initiative Results Framework



8.3.3. Convergence with GFDRE Policies and Plans

The SpO is consistent with the broad parameters of Ethiopia's National Food Security Strategy and initiatives from the Office of the Prime Minister to address persistent development needs in the pastoral regions. It places an emphasis on increasing incomes by improving the efficiency of livestock markets and increasing food availability by easing the movement of livestock and livestock products within the country while improving the productivity of livestock operations. At the same time microenterprise development and informal credit and savings activities are expected to contribute to increased household food availability and access. The SpO is also consistent with the focus of the Sector Development Programs in health to improve the coverage and quality of health services, and in education to expand access to primary education.

8.3.4. Critical Assumptions

The following assumptions are critical for the achievement of results under the STI SpO:

- Increases in agricultural productivity are possible, and will improve nutrition through increased income and/or household access to a variety of agricultural food products.

- Improved marketing infrastructure will increase access to grains and a variety of agricultural food products, which will in turn improve nutrition.
- Economic and ecological forecasts will enable households and communities to make better decisions about whether to re-invest in herd growth or destock and convert assets into other forms of savings.
- Pastoralists do practice risk management, but shifting to alternative strategies will take time and require cultural change.
- The donor community will continue to appropriately support the activities of the initiative.

8.3.5. Southern Tier Initiative Intermediate Results

**IR 1:
Pastoralist and agro-
pastoralist incomes increased.**

Pastoral households maintain their assets in the form of livestock, due to a combination of tradition and lack of financial services in the region. When drought strikes, large numbers of animals eventually die because the market cannot absorb them. This leaves the pastoralists increasingly poor with every drought cycle. The absence of community-held savings constrains the availability of credit for petty trade and commerce, and investment capital for businesses. Small group credit schemes, community banking, savings and credit cooperatives, and micro-finance institutions are all potential options, if appropriately adapted to the cultural and economic setting.

The economy of the region is entirely dependent upon the cash flow generated by livestock marketing. The major demand for livestock is cross-border in Kenya, and most consumer goods are imported from Kenya. Improving the efficiency and competitiveness of markets will benefit producers, consumers, and the economy of the pastoral areas as a whole.

Access to alternative income sources, new product ideas, and value-added food processing will diversify sources of cash income. Pastoralists with animals can minimize market and climactic risks by diversifying the household economy. For former pastoralists, squatting on the outskirts of urban areas, these alternative income sources could make the difference between self-sufficiency and destitution.

The shift to consuming cereals and vegetables in pastoral areas is a recent phenomenon linked to the prevailing drought and famine situation. Improved dryland agricultural practices will increase the availability of supplementary food, and help households withstand the effects of drought.

Illustrative activities under IR 1 include:

- establishing a market price information system to rapidly compile and disseminate information to producers and traders,
- developing livestock marketing associations to consolidate products and provide access to inputs and services,

- training and supporting community animal health workers to provide essential services,
- supporting water source construction and management,
- developing appropriate drip irrigation practices, alternative cropping systems, and microenterprise development,
- developing alternative forms of comprehensive risk management, and
- developing informal community-based savings and credit schemes, micro-finance institutions, and/or expanded banking services, with a focus on supporting women.⁴⁸

The income generation and diversification focus of the STI SpO merges well with the Mission's RHPP SO in the areas of market development, extension, cooperatives, microenterprise activities and livestock and extension services. These activities will, on a smaller scale, support GFDRE efforts to address household food security issues in the pastoral regions along the Ethiopia and Kenya border.

**IR 2:
Increased use of
maternal health and
child survival and
nutrition interventions.**

The diet of pastoralists and semi-pastoralists is constrained by a variety of factors including poverty, lack of health/nutrition services, limited access to nutritional information, and cultural patterns of intra-household food consumption. Malnutrition takes the form of mild to moderate Protein Energy Malnutrition

(PEM) combined with multiple micronutrient deficiencies. These result in stunting, sub-optimal cognitive development, immuno-deficiency and anemia in children, and poor pregnancy outcome, anemia and poor milk quality during lactation for adult women.

With increased income, families will have the ability to purchase more varied and healthier food. With increased knowledge, families will change intra-household food consumption patterns. Preventive interventions and treatment to improve maternal and child nutrition need to occur simultaneously. USAID will improve the diet of pastoralists and semi-pastoralists and families through activities that will:

- provide nutrition education and services through training extension workers,
- promote the utilization of animal source foods and a variety of agricultural products,
- provide vitamin A, iodine and iron to children and mothers,
- support household production of small animals for consumption, and
- strengthen maternal and child survival health delivery services.

This correlates with the Mission's ESHE-II SO in the area of maternal and child nutrition, and more specifically with the ESHE-II SO IR 1 *Use of high impact child survival interventions, including nutrition, in focus areas increased.*

⁴⁸ For further details of gender analysis please see Annex 6.

**IR 3:
Access to appropriate
basic education
increased.**

In 1999 Ethiopia was determined to have one of the lowest primary education enrollment rates in the world with a system of education characterized by high levels of inequity and disparity. The marginalized pastoral areas of the south have fewer primary education opportunities than the more developed highlands, with even the most basic facilities almost non-existent outside the few major towns. The Southern Tier Initiative will provide access to quality basic education for nomadic communities. The nonformal approaches to education will be equivalent to conventional basic education found in sedentary communities. The project will provide literacy, numeracy and life skills, and promote community participation. This program will incorporate special opportunities for women and girls to learn, and participate.

Education for nomadic tribes fits within the BE SO, under IR 3, *support for alternative approaches to education of children in disadvantaged circumstances*. The nomadic nature of pastoral life requires alternative timetables for the school year. The difficulty in finding qualified teachers will be addressed through the recruitment of paraprofessional teachers from within the target community.

Illustrative activities under IR 3 are:

- developing and implementing an affordable, appropriate teacher support system, and
- adapting the existing curriculum to meet basic needs of pastoralist communities.

**IR 4:
Effectiveness of traditional
dispute resolution
mechanisms enhanced.**

Conflict is widespread in the arid and semi-arid zones, and often overlaps with extreme food insecurity. National and provincial borders, designated grazing zones, wildlife sanctuaries, and the rapid proliferation of land under cultivation have reduced access to traditional transhumance grazing and water circuits, igniting conflicts over increasingly restricted land and water. These conflicts are fed by generations of rivalries between major pastoral groups. Many local civil society organizations have programs to manage conflict, and international NGOs, intergovernmental organizations and donors are increasingly preoccupied with understanding conflict and experimenting with solutions. A review of the lessons learned so far in research and experience is urgently needed.

Conflict has been most prevalent in areas lacking in natural resources and neglected by the state. These regions are usually so deprived that the inhabitants' very existence is threatened. Sometimes intercommunal disputes feed into larger contexts of national war.

Under this IR the STI SpO will undertake activities to:

- improve the conflict resolution capabilities of local communities,
- provide training for elders in conflict resolution and peacekeeping, and

- support community development of the structures, policies, and programs needed for equitable economic development, and peace initiatives.

8.3.6. Preliminary Performance Monitoring Plan

The proposed performance measures for the new STI SpO are presented in the table below, and will be further developed in consultation with USAID's partners over the next year. USAID/Ethiopia's reporting on the new Special Objective framework, with all indicators and targets through the life-of-plan, will commence with the FY 2004 R4 submitted in February 2002.

Southern Tier Initiative Preliminary Performance Indicators

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
Special Objective: Improved livelihoods for pastoralists and agro-pastoralists in southern Ethiopia.	SO Ind. Pastoralist and agro-pastoralist incomes in target areas. National Agricultural Census (NAC) will determine base line SO Ind. Nutritional status of children (stunting) in target areas.	2000	71%	Oromia Somali >50% in target areas
IR 1: Pastoralist and agro-pastoralist incomes increased.	Ind. 1.1 Livestock market price information and dissemination system established (in target areas).	2000	None	Two
	Ind. 1.2: Number of trained Community Animal Health Workers providing services in target area.	2000	21	125
	Ind. 1.3: Number of animals vaccinated and treated annually in target area.	2000	480,000	2,000,000
IR 2: Increased use of maternal health and child survival and nutrition interventions	Ind. 2.1 % of infants breast fed (baseline % is based on DHS National Average)	2000	62%	75% in both regions
	Ind. 2.2: % of children 6-24 months of age receiving adequate complementary feeding in focus regions, by gender	2000	17%	Oromia >50% Somali >30%

Result (SO & IR)	Performance Indicator (s)	Baseline		Target (2006)
		Year	Value	
IR 3: Access to primary education improved.	Ind. 3.1 increase in gross enrollment ratio Somali Regional Level = 8% Oromia Regional level = 51% National Education Statistics – Ministry of Education 2000	2001	Somali 8% in target area	Target area >20%
		2001	Oromia Region 10% in target area	Target area >25%

The Southern Tier Initiative represents new and groundbreaking work for the USAID Mission in Ethiopia. The lack of services and institutional capacity in the target area has resulted in an absence of reliable baseline information. Working with partner PVOs/NGOs, the Mission will establish appropriate baselines in the first year of the initiative, and will jointly develop target values based on the findings of program development activities.

8.4. OTHER DEVELOPMENT PARTNERS

The success of the Southern Tier Initiative requires the involvement of the whole donor community. USAID/Ethiopia has developed an overall framework, within which a number of other donors have indicated their interest. GTZ, the World Bank, Austrian AID, Canadian CIDA, and DFID have all indicated some interest. USAID will convene a working group of interested donors, to maximize limited resources, and ensure close cooperation and a shared vision for all future initiatives in this sector.

8.5. PROGRAM MANAGEMENT/CO-ORDINATION WITH OTHER DONOR PROGRAMS:

The STI SpO encompasses all sectors of the mission portfolio, and will be managed by a multi-sectoral team. The team will ensure that the strategic objective teams give proper emphasis and focus to SpO activities. STI SpO will work with the Strategic Objective Teams (SOTs) to ensure that necessary resources are available to coordinate the efforts and achievements of the SOTs into an effective program. The STI SpO team will consolidate and synthesize data to measure progress towards the Mission's goal and report on results to stakeholders and the public.

The STI SpO has cross-border implications, and significant results can only be achieved as part of a shared effort among local groups and USG agencies on all sides of the border. The management structure will ensure the participation of key stakeholders from those countries and communities involved as well as USG agencies in bordering countries.

USAID's Regional Economic Development Services Office (REDSO/ESA) and the Africa Regional Office of USAID's Office of Foreign Disaster Assistance (ARO/OFDA) are critical partners. Staff from Nairobi participated in the joint field assessment of problems, constraints and potential activities. They will be closely involved with planning, implementation and monitoring STI SpO activities. The STI SpO team will participate in discussions on future programs such as REDSO's proposed "Northern Arc" and will actively participate in any regional initiatives that converge with the objectives and activities of the STI SpO.

The STI SpO will manage the program through an integrated approach among interested USG agencies and other development partners. Participating USG agencies will commit to achieving the objectives of the STI and to programming assistance for the objective within the limitations imposed by the strategy's parameters. A high level of collaboration and cooperation will be encouraged throughout the planning period.

1. STATISTICS ON ETHIOPIA

Unless otherwise indicated, all information is from the CIA Factbook (footnote 1).

1.1. MACO-ECONOMIC STATISTICS AND INDICATORS:

Area¹: Total: 1,127,127 sq km
Land: 1,119,683 sq km
Water: 7,444 sq km

Capital and largest city (2000 est.): Addis Ababa, population 2.5 million

Economic summary²:

Gross National Product:

- atlas method (current US\$): 6.6 billion (1999) – Rank: 100 out of 206 countries
- per capita (current US\$): 100.0 (1999) – Rank: 206 of 206 countries
- PPP(current US\$): 35 billion (1998)
- PPP per capita (US\$): 566 – Rank: 202 out of 206 countries

Gross Domestic Product:

- at market prices (Current US\$) 6.5 billion (1999)
- growth (annual %): 7.0 (1999)

Inflation, GDP deflator (annual %): 7.0 (1999)

Percent of GDP: (1999 figures unless otherwise specified)

- | | |
|---------------------------------------|---------------------------------------|
| • Agriculture, value added: 48.9 | • Imports of goods and services: 27.9 |
| • Industry, value added: 6.8 | • Gross domestic investment: 18.6 |
| • Services, etc., value added: 44.2 | • Trade: 43 (1998) |
| • Exports of goods and services: 13.8 | • Trade in goods (PPP): 4.6 (1998) |

Money and quasi money growth (annual %): 6.8 (1999)

Present value of debt (current US\$): 8.7 billion (1998)

Total debt service (TDS, current US\$): 119.0 million (1998)

¹ CIA: The World Factbook (2000) (<http://www.cia.gov/cia/publications/factbook/geos/et.html>)

² World Development Indicators Database (World Bank July 2000)

Short term debt outstanding (DOD, current US\$): 626.3 million (1998)

Aid per capita (current US\$): 10.6 (1998)

Exports: \$420 million (f.o.b., 1998)

Imports: \$1.25 billion (f.o.b., 1998)

Export commodities: coffee, gold, leather products, oilseeds

Import commodities: food and live animals, petroleum and petroleum products, chemicals, machinery, motor vehicles

Debt - external: \$10 billion (1997)

Economic aid - recipient: \$367 million (FY95/96)

Labor force (by occupation)³:

Agriculture, hunting, forestry, and fishing 89%,

Wholesale & retail trade, repair of vehicles, personal and household goods: 2%

Hotels and restaurant: 2%

Manufacturing and construction: 2%

Public administration and defense, compulsory social security: 1%

Education, health and social work: 1%

Others: 3%

Total revenues and grants⁴: 21.5% of GDP (FY 98/99)

Total Revenue: 19.1% of GDP(FY 98/99)

Tax Revenue: 11.3% of GDP(FY 98/99)

Non-Tax revenue: 7.8% of GDP(FY 98/99)

External Grants: 2.3% of GDP(FY 98/99)

Total Expenditure: 26.4% of GDP(FY 98/99)

Recurrent of Expenditure: 17.6% of GDP(FY 98/99)

O/W Defense: 6.9% of GDP(FY 98/99)

Capital Expenditure: 8.7% of GDP(FY 98/99)

Capital Expenditure by sources of financing (memo items):

Domestic treasury: 54.9%(FY 98/99)

External Assistance: 12.3%(FY 98/99)

External loan: 32.8%(FY 98/99)

Real growth rate: 6%.

Agricultural Products: cereals, pulses, coffee, oilseed, sugarcane, potatoes, hides, cattle, sheep, goats.

³ The 1994 Population and Housing Census of Ethiopia Results at Country level: Volume I – Statistical Report (June 1998)

⁴ Ethiopia Public Expenditure Review- 2000: Volume I main report (World Bank)

Major trading partners: Germany, Japan, Italy, U.K., Djibouti, Saudi Arabia, and U.S.A

1.2. GEOGRAPHY AND DEMOGRAPHICS

Land boundaries:

Total: 5,311 km

Border countries and borders: Djibouti (337 km), Eritrea (912 km), Kenya (830 km),
Somalia (1,626) km, Sudan (1,606) km

Climate: tropical monsoon with wide topographic-induced variation

Terrain: high plateau with central mountain range divided by Great Rift Valley

Elevation extremes: Lowest point: Denakil -125 m

Highest point: Ras Dashen Terara 4,620 m

Natural resources: small reserves of gold, platinum, copper, potash, natural gas,
hydropower

Land use⁵: Arable land: 9.9%
Permanent cropland: 0.6%
Other: 89.5% (1997 est.)

Natural hazards: geologically active Great Rift Valley susceptible to earthquakes,
volcanic eruptions, frequent droughts

Environment - current issues: deforestation, overgrazing, soil erosion, desertification

Population: 64,117,452 (July 2000 est.)

Age structure: 0-14 years: 47% (male 15,167,395; female 14,977,346)
15-64 years: 50% (male 16,195,637; female 15,987,089)
65 years & over: 3% (male 816,011; female 973,974) (2000 est.)

Growth rate: 2.76% (2000 est.)

Birth rate: 45.13 births/1,000 population (2000 est.)

Death rate: 17.63 deaths/1,000 population (2000 est.)

Net migration rate: 0.14 migrant(s)/1,000 population (2000 est.)

Sex ratio: at birth: 1.03 male(s)/female
under 15 years: 1.01 male(s)/female

⁵ World Development Indicators 2000 (World Bank)

15-64 years: 1.01 male(s)/female
65 years and over: 0.84 male(s)/female
Total population: 1.01 male(s)/female (2000 est.)

Life expectancy at birth: Total population: 45.17 years
Male: 44.41 years
Female: 45.94 years (2000 est.)

Infant mortality rate⁶: 113 deaths/1,000 live births (2000 est.)

Total fertility rate: 5.9 children born/woman (2000 est.)

Under five mortality rate: 188 deaths/1000 live births (2000 est.)

Adult HIV prevalence⁷: 7.3%

Ethnic groups⁸: Oromo 32%, Amhara 30% Somali 6%, Tigre 6%, Guragie 4%,
Sidama 3%, Afar 2%, Welaita 2%, others 15%

Religions: Ethiopian Orthodox 51%, Muslim 33%, Protestant 10%, others 6%

Literacy⁹: definition: age 15 and over can read and write
Total population: 22.3%
Male: 29.5%
Female: 15.3% (1996 est.)

Industries: food processing, beverages, textiles, chemicals, metals processing, cement

Electricity - production: 1.36 billion kWh (1998)

Electricity - production by source: fossil fuel: 7.35%
hydro: 89.34%
other: 3.31% (1998)

Electricity - consumption: 1.265 billion kWh (1998)

Telephones - main lines in use: 365,000 (1999)

Telephones - mobile cellular: 21,000 (2000 est.)

Internet Service Providers (ISPs): 1 (2500 subscribers only) (2000)

⁶ Ethiopia Demographic and Health Survey 2000: Preliminary Report (CSA, 2000)

⁷ AIDS in Ethiopia: Background, Projections, Impacts, Interventions, Policy, Third Edition. Ministry of Health (2000)

⁸ The 1994 Population and Housing Census of Ethiopia Results at Country level: Volume I – Statistical Report (June 1998)

⁹ Poverty Situation in Ethiopia (MEDaC 1999)

Railways: Total: 681km (Ethiopian segment of the Addis Ababa-Djibouti railroad)

Highways: Total: 28,500 km
paved: 4,275 km
unpaved: 24,225 km (1996 est.)

Ports: Since the border dispute with Eritrea flared, Ethiopia has used the port of Djibouti for nearly all of its imports

Merchant marine: Total: 12 ships
ships by type: cargo 7, container 1, petroleum tanker 1, roll-on/roll-off 3 (1999 est.)

1. ANALYSES BY SECTOR

1.1. ESHE SO.

Research and Analysis which contributed to the development of the SO:

Analysis of Ethiopia's nutrition profile was carried out in collaboration with the Profiles and Food and Nutrition Technical Assistance (FANTA) groups in February 2000. The outcome of this analysis fed into the ESHE SO. Joint Review Missions undertaken by the GFDRE and USAID, and Annual Review Missions looking specifically at implementation of ESHE activities, also resulted in data which contributed to the development of the ESHE-II SO. Other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SO:

The first Ethiopia Demographic and Health Survey was undertaken in 2000 and the preliminary results were published in September 2000. The Ethiopia DHS is a nationally representative survey of 15,367 women and 2,607 men, providing information on fertility, family planning, infant and child mortality, maternal and child health and HIV/AIDS. The data from Ethiopian DHS will be used as a baseline for HPN SO indicators.

1.2. BE SO

Research and Analysis which contributed to the development of the SO:

Data developed under BESO-I played a major role in the development of the BESO-II SO. This includes a number of studies funded under BESO-I, the data developed by the Education Sector Development Program, the findings of annual joint review missions, and consolidated government reports. Details of these and other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SO:

BESO-II will continue to finance studies in the education sector.

1.3. RHPP SO

Research and Analysis which contributed to the development of the SO:

USAID made significant contributions to the development of the GFDRE National Food Security Strategy and the National Food Security Program. These documents form the essential framework for the RHPP SO. Other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SO:

Research activities carried out by the RHPP SO will focus on adaptive agricultural research, extension, conservation and watershed management, food storage and preparation techniques to minimize pre- and post-harvest losses and preserve nutritional value, and labor saving and productivity enhancing technologies and micro-enterprise development activities. Research and extension activities will promote increased agricultural production and productivity through more environmentally friendly agricultural practices. Research results will be disseminated through the national agricultural research system.

1.4. MED SO

Research and Analysis which contributed to the development of the SO:

USAID/FHA has developed a series of contingency response plans and technical support documents to guide U.S.G. response. The drought contingency plans were particularly useful in guiding the forward planning necessary to adequately respond to the unfolding emergency of 2000. The contingency plan for the war-affected areas enabled the Mission and the U.S.G. to mobilize a variety of resources in a timely manner, responding to the window of opportunity presented by the Cessation of Hostilities agreement. Other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SO:

In January 2001, USAID/FHA will finalize the "2001 Outlook for Assistance Requirements to Drought- and Conflict-Affected Populations and Areas" based on the new GFDRE and UN appeals. USAID/FHA is developing a "Lessons Learned" piece incorporating the findings of several recent studies and analysis pieces from the UN, NGOs and other Donors, and presenting original findings based on consultations with major actors in the humanitarian community in Addis Ababa.

1.5. DG SO

Research and Analysis which contributed to the development of the SO:

In February 2000 USAID's Office of Sustainable Development conducted analysis which pointed to the possibilities of greater synergies among the Mission's programs, including those which arise with regard to civil society organizations and the financial reforms

being conducted under the Civil Service Reform Program. These recommendations were reinforced in the same month by PACT's completion of its most recent survey of the enabling environment for the Ethiopian NGO sector. In 1999 USAID conducted a detailed survey, followed up by study visits to each region, of nearly 300 participants in judicial training to identify priorities to be addressed in future cooperation with the judiciary. Support to the civil service reform program is informed by analysis carried out by the UNDP and the Ministry of Finance. Other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SO:

The SO expects to carry out an evaluation of the decentralization support activity being conducted in support of the Civil Service Reform program at the conclusion of its present phase. Similarly, the SO will commission its own external evaluation of work in the civil society sector.

1.6. STI SPO

Research and Analysis which contributed to the development of the SpO:

Primary research in pastoral areas over a period of 18 months, led to the formation of a joint operations team by MEDaC and USAID. The SpO also drew on "Cross-Border Livestock Trade and Food Security in the Southern Ethiopia Borderlands Report", USAID OSSREA/BASIS-CRSP Project on Cross-Border Trade and Food Security in the Horn of Africa, July 1999, and Layne Coppock's GL-CRSP research on the Boran Pastoralists in southern Ethiopia. Other important documents/analyses that have informed program development are annotated in the attached bibliography.

Research and Analysis developed/supported by the SpO:

A series of policy research documents are in process, feeding into GFDRE policy development on issues such as livestock marketing systems and animal health care privatization. This policy research and analysis is expected to continue for the life of the project.

2. SUMMARY OF CONSULTATIONS

2.1. CONSULTATIONS WITH THE GFDRE

The Mission developed each SO in close collaboration with key government counterparts, designing objectives and activities to support GFDRE initiatives and reforms. Collaborative workshops were organized by BESO and RHPP with participation by major implementing partners to design the new strategy. DG

implemented a questionnaire, and consulted regional courts and the judicial training steering committee. MED consulted with the key counterpart, the Disaster Prevention and Preparedness Commission. The STI SpO was developed with the relevant line ministries, the office of the Prime Minister, and Oromia and Somali Regional Governments. The Ministry of Economic Development and Cooperation (MEDAC) vetted many of the SO plans individually, in some cases making valuable suggestions. MEDAC also reviewed the draft strategy as a whole.

2.2. CONSULTATIONS WITH BENEFICIARIES

Field trips by ESHE, MED, and BESO included beneficiary consultations which informed the strategic planning process. DG held field monitoring discussions with NGOs funded by PACT. RHPP principal partners have participated in a series of assessments to provide recommendations for the strategic plan. Beneficiary viewpoints were presented by the Title II cooperating sponsors during the planning process for the Title II cross cutting theme.

3. BIBLIOGRAPHY

1. ESHE Bibliography

The ESHE SO footnoted references within the text.

2. BE SO Bibliography

The Policy and Strategy Framework

Although not analyses, the essential documents for education in Ethiopia formed the basis for BESO-II:

Transitional Government of Ethiopia, Education and Training Policy, E.E.P.-86, Addis Ababa, April 1994.

Transitional Government of Ethiopia, Education Sector Strategy, E.E.P.-86, Addis Ababa, September 1994.

Ministry of Education, Draft Two, Program Action Plan for the Education Sector Development Program, Document of the Federal Democratic Republic of Ethiopia, Ministry of Education, Addis Ababa, January 1998.

The Women's Affairs Office, Federal Democratic Republic of Ethiopia and the World Bank, Implementing the Ethiopian National Policy for Women: Institutional and Regulatory Issues, The World Bank, 1998. *Summarizes key issues regarding access and equity in education.*

Ministry of Economic Development and Cooperation, Development Projects Appraisal Department, Comments on USAID/Ethiopia Strategic Plan (2001-2006), May 2000. *MEDAC encouraged USAID to expend geographic focus in BESO-II.*

BESO-I Background & Lessons Learned

AKT Consultants, The Development of Primary Education in Ethiopia: Innovations and Lessons Learned Study, Addis Ababa. July 2000. *This USAID-financed study was most useful with regard to describing a number of innovative in-service teacher training approaches and alternative or flexible education programs in Ethiopia. Based on these analyses, USAID decided to broaden the scope of BESO-II's interventions, particularly for community-government partnerships for flexible education.*

Makonnen, Abera, ed., BESO Bulletin, Years 1-3, August 1996- June 2000. *This USAID-edited Bulletin has been produced about twice/year for the last 3 years. It includes a number of useful syntheses of "success stories" under BESO-I upon which BESO-II was built.*

Bonner, Cameron S., BESO Revisited- Meeting Short-term Needs with a Long-term Vision: Recommendations on the Future of the Basis Education System Overhaul Program in Ethiopia, USAID/Ethiopia, October 1999. *Dr. Bonner was the USAID direct-hire BESO-I Team Leader from about 1995-1998. He returned to Ethiopia in the fall of 1999 to help USAID reprogram the US\$8 million in NPA that was on-hold due to the border conflict; to provide a framework for the transition from BESO-I to BESO-II; and to provide suggestions for BESO-II. His longitudinal analyses were essential in helping USAID decide to move more aggressively into teacher training as the primary component in BESO-II.*

Caribbean Resources International (CRI) Consult, Inc., Ethio-Education Consultants (ETEC), and Juarez and Associates, Inc., Basic Education Overhaul System (BESO), Mid-term Assessment, August 1998. *The Mid-Term Assessment is a comprehensive look at BESO-I's "planned" versus "actual" achievements about 3 years into implementation. The Assessment concluded that important progress had been made with enhancing community participation in education; improving school leadership; establishing potential models for in-service teacher training; and revising primary curriculum in Tigray and SNNPR. The Assessment found less progress in pre-service teacher training (due primarily to lack of the government framework), support systems (finance, planning & monitoring), and policy. The Assessment also recommended that future technical assistance contracts be performance based.*

USAID/Ethiopia: Original PP and PAAD for BESO-I, 1994. *The original BESO-I documents provide classical social, technical, economic analyses for the original BESO components, many of which pertain to this day. Of particular interest is the original policy matrix and rationale for selection of policy conditionalities.*

USAID/Ethiopia, "Basic Education Strategic Objective Implementation/Management Plan" (September 15, 2000). *The BESO-II Strategic Plan synthesizes lessons learned from BESO-I and other donors in implementation of ESDP, and provides the structure for implementation of BESO-II.*

IR1: Teacher Development

Craig, Helen J., R. Kraft, and J. du Plessis, Teacher Development: Making an Impact, a joint publication of the U.S. Agency for International Development and the World Bank, 1998. *Although not Ethiopia-specific, this document provided essential guidance for discussions with the central and regional government on design of the pre- and in-service teacher training programs.*

Dalachew, Fransua, L. Obola, S. Mamo, and K. Amare, A Follow-up Study of the Graduates of the Awassa Teacher Training Institute: The Case of the 1995-1997 Graduates. *The tracer study highlights the value of sound pre-service training and the need to increase emphasis on methodology.*

Ministry of Education, A Study on Strategy of Organizing Teacher Education for Primary Level (Draft for Discussion). Addis Ababa. May 1999. *The strategy provides a good historical perspective on teacher education in Ethiopia beginning in the 1950s, and provides some useful suggestions for improving curriculum and methods today.*

Ministry of Education, School-Based Resource Center and In-service Teacher Training through Cluster Schools, DRAFT, August 2000. *This DRAFT document presents the Ministry's evolving thinking on how the "cluster" concept can be operationalized. The BESO-II design draws heavily on it for the in-service self-instructional training program.*

Ministry of Education, (USAID/BESO), Request for Proposals for Improving the Quality of Teachers Produced at the Teacher Training Institutions and Colleges, April 2000, and responses from about 15 of 20 TTI/TTCs in the country. *The TTI/TTC responses to an over-ambitious RFP demonstrate the institutions lack of understanding of the need for human capacity development and instead generally focus on lists of equipment and materials desired. The content, responsiveness, syntax, and overall presentation of the responses are instructive. A summary table of the responses, by institution, is found in the "Basic Education Strategic Objective Implementation/Management Plan" (September 15, 2000).*

IR2: Teacher-Learner Support

Ministry of Education, National Organizations of Examinations, Preliminary Assessment of Inputs and Processes Affecting the Educational Achievement of Grade 8 Pupils, September 1999. (USAID-financed)

Ministry of Education, Women's Affairs Department in Collaboration with Project BESO, *Improving Retention with a Special Focus on Girls*, October 1999. *This study provides an excellent series of quantitative analyses of predictive factors on girls' retention, and some useful recommendations for improvement.*

EMA, "Educational Media Agency at a Glimpse," August 2000. *This brief institutional summary provides detail on EMA's technical and organizational capacities which supports general assessments that it is a true "center of excellence" in media development, delivery, and support.*

IR3: Community-Government Partnerships

Rugh, Andrea, Ph.D. and Heather Bossert, M.A., *Involving Communities: Participation in the Delivery of Education Programs*, Creative Associates, International, Inc., under Contract No. HNE-58320C-00-4075-00 for the ABEL Project, Washington, D.C., 1998. *Coverage of the Balochistan community schools experience at pp. 80 -100 of this study greatly informed the design of IR3*

Prouty, Diane and Tegegn N. Wako, *This School is Ours. We Own It: A Report on the Stocktaking Exercise of the BESO-Community Schools Activities Program*, World Learning, Addis Ababa, February 2000. *A very positive summary of outcomes of the World Learning program financed under BESO-I.*

IR4: Support Systems

Hartwell, Ash, Memo to SO#3 Team, More Notes (2) on USAID/Ethiopia proposed SO#3 for the ISP, March 10, 2000.

Hartwell, Ash, Memo on IT Applications and Policy for USAID/Ethiopia, SO#3-Education, March 11, 2000.

Dr. Hartwell has been involved with education in Ethiopia for many years. His insights into support system needs for BESO-II, based on experience and lessons learned in BESO-I and elsewhere in Africa, provided the rationale and direction for IR4 development.

Selam Development Consultants, USAID/BESO Project (SNNPRG Education Bureau), Personnel Administration System Rationalization Study, Awassa, August 2000. *This detailed document highlights the difficulties associated with trying to automate and integrate a personnel system covering over 12,000 teachers.*

Tigray Regional Education Bureau, Tigray Education Management Information System (TEMIS) Planning and Programs Department, With the support of the BESO Project, Mekelle, February 2000. *Numerous TEMIS documents and an excellent Powerpoint*

presentation demonstrate the utility of improved and participatory regional EMIS for planning, monitoring and evaluation purposes.

3. RHPP Bibliography

Policy and Strategic Framework

These documents constitute the conceptual foundation for the RHPP SO.

The Federal Democratic Republic of Ethiopia, An Economic Development Strategy for Ethiopia, Addis Ababa, February 1994.

The Federal Democratic Republic of Ethiopia Food Security Strategy, prepared for the Consultative Group Meeting of December 10-12, 1996, Addis Ababa, November 1996.

MEDaC Food Security Unit, the Federal Democratic Republic of Ethiopia Food Security Program, Addis Ababa, June 1998.

Amhara Food Security Coordination Office, Amhara National Regional State Food Security Strategy, Bahir Dar, May, 1998

Analyses

Report of the Multi-Donor Team on the Federal Democratic Republic of Ethiopia Food Security Program, Addis Ababa, March 15, 1999.

Checchi and Company Consulting Inc., Final Phase I Evaluation of Development of Competitive Markets Agricultural Statistics Improvement Activity, Addis Ababa, November 24, 1999. *Evaluation of USAID efforts to improve Ethiopia's agricultural statistics, and recommendations for future activities.*

Gemebo, Tsegay Demissie, Report on the Assessment of Nutritional Problems and Identification of Potential Interventions in Amhara National Regional State, USAID, Addis Ababa, December 2, 1999. *Review of literature regarding nutrition in the Amhara National Regional State, and recommended potential interventions.*

USAID Collaborative Research Support Programs Team, Amhara National Regional State Food Security Research Assessment Report, Addis Ababa, May 2000. *Assessment of the research system in Amhara National Regional State, identification of potential technologies for adaptive research, and recommendations for support.*

Weidemann Associates, Inc., Ethiopia Micro-enterprise Sector Assessment: A Summary Report to Assist Implementation of the USAID/Ethiopia Strategy RPP SO, USAID, Addis Ababa, May 2000. *Situation assessment of micro-enterprise development in the Amhara National Regional State, identification of needs, and recommendations for next steps.*

Central Statistics Authority and Macro International, Ethiopia Demographic and Health Survey 2000 Preliminary Report, Addis Ababa, July 2000.

ARD Incorporated, Amhara National Regional State Watershed Management Activity Assessment, Addis Ababa, July 18, 2000. *Review Amhara National Regional State Bureau of Agriculture proposal for an integrated watershed management activity under the food security program, and develop implementation and management approach.*

ARD Incorporated, Amhara National Regional State Extension System Needs Assessment: Food Security, the Extension Service of the Bureau of Agriculture, and Rural Household Production and Productivity, Addis Ababa, July 26, 2000. *Assessment of extension needs in the Amhara National Regional State, identify areas for USAID support, and recommend priority activity areas*

4. MED Bibliography

Training Manual for Early Warning System in Ethiopia (foundation in early warning; crop and livestock monitoring; price and market monitoring; rainfall and vegetation monitoring; field assessment missions; local food security monitoring; national food security monitoring) by the DPPC Early Warning Department, Addis Ababa, Ethiopia – March 2000

Integrating Title II Programs within the USAID/Ethiopia Strategic Plan (draft) by USAID/Ethiopia Strategic Objectives, Addis Ababa, Ethiopia -September 5, 2000.

National Food Aid Targeting Guidelines, Submitted to DPPC for Approval by the Steering Committee for the National Food Aid Targeting Guideline, Addis Ababa, Ethiopia –August 2000

Five Year Plan of the Federal Disaster Prevention and Preparedness Commission 1998-2002, by DPPC, Addis Ababa, 1998

Report on the Food and Nutrition Situation in Gode, Fik, Korahe, Jijiga and Shinille zones of the Somali Region, Ethiopia, by the Center for Disease Control (CDC) –August 2000

Contingency Response Plans for Conflict Affected Populations and Areas

- Crisis Response Plan by USAID/FHA – November 1998
- Crisis Response Plan for Drought (and IDPs) by USAID/FHA – November 1999
- Contingency Plan for Rehabilitation of Conflict – Affected Populations and Areas in Northern Ethiopia by USAID/FHA – September 2000

Contingency Response Plans for Drought Affected

- Crisis Response Plan for Drought (and IDPs) by USAID/FHA – November 1999
- Contingency Response Plan for Current and Worse Case Scenarios in Ethiopia in CY 2000 by USAID/FHA - March 2000
- Contingency Response Plan for Ethiopia (July – December 2000 period) by USAID/FHA in June 2000 (and updated in August 2000)

Technical Assessments contributing to Contingency and/or Crisis Response Plans

- From Port to People: A Logistics and Transport Assessment for Relief Food Imports During 2000 by USAID/FHA – January 2000
- Logistics Update for Relief Food Imports during 2000 by USAID/FHA – March 2000
- Emergency Strategic Plan for Pastoralist and Agropastoralists in Southern and Southeastern Ethiopia by USAID/FHA – March 2000
- Water and Environmental Health, Drought in Southern Ethiopia by USAID/FHA and OFDA – April 2000
- Logistics Assessment Report by USAID/FHA and BHR/OFDA – April 2000

5. DG Bibliography

Canadian International Development Agency, Program Support Unit, Addis Ababa, Regional Profiles, July 1998. Two-volume report of study carried out to assist CIDA “to focus its future programming in Ethiopia over the next 5-10 years primarily within its current priority sectors of food security and governance/democratization.” Provides basic information and discussion of key issues regarding six of the nine regional states as well as of Addis Ababa and Dire Dawa.

Ethiopia Governance Assessment, November 1999. *Preliminary draft 100 page assessment prepared for UK DFID to establish a firm understanding of the current state of governance in Ethiopia as background to a future country strategy paper. Cited by permission of the British Embassy. An excellent, accurate and comprehensive appreciation of the state of play of constitutional and state structures, political systems, rule of law and civil society in Ethiopia up to the time of writing*

Ethiopian People’s Revolutionary Democratic Party, EPRDF’s Five-Year Program of Development, Peace and Democracy: Evaluation of Program Execution and The Second EPRDF Five-Year Program of Development, Peace and Democracy, 2000 (unofficial translation from Amharic into English prepared at request of USAID/Ethiopia’s Democracy and Governance Office, August 2000). *Review by the governing coalition of the carrying out of its first five-year program and presentation of its five-year program for 2000 – 2005. An important source for the Government’s priorities and its own analysis of what has worked and what has not.*

Evaluation of the Legal and Judicial Cooperation Needs of Ethiopia, [September 2000]. *Report of an evaluation mission carried out by French experts which found the Ethiopian judiciary to be “a complex system which is tailored to afford a true independence of courts, but which is burdened by a risk of incoherence in the interpretation of the law and the definition of penal policies, ... [with] multiple and various needs, often of an enormous dimension, which Ethiopia cannot address without . . . international assistance [which] it is capable to put to good use.” The report suggests “a coordinated cooperation, tailored to Ethiopian realities.”*

Government of the Federal Democratic Republic of Ethiopia, Ministry of Finance, Civil Service Reform Program: Expenditure Management & Control Component, Performance for FY 1991/1998/99 and Planned Activities FY 1992 (99-2000), September 1999. *The most recent detailed report from the GFDRE on status of Expenditure Management and Control component of the CSRP. Documents what has been accomplished and what remains to be done, with an appeal to donors for continuing support.*

McGrath Systems, Judicial Training Evaluation Final Report, prepared for the United States Agency for International Development Mission to Ethiopia, June 1999. *Provides statistical summary of formal evaluation of previous judicial training by USAID. Shows that training was well regarded by almost all participants, identifies particular subject areas for future training and underscores the need for judicial training to be tailor-made to the needs of particular regions.*

Pact Ethiopia, Assessment Study of HIV/AIDS Implementing Organizations, July 2000. *Assessment of 47 organizations engaged in the fight against HIV/AIDS. Findings include "insufficient involvement of government sectors in the implementation of HIV/AIDS activities."*

Pact Ethiopia, Report on the Enabling Environment for the Ethiopian NGO Sector, February 2000. *The most recent Pact-sponsored independent survey on the topic documents "highly impressive" growth in the sector and argues that "new political realities in the country have created space for NGOs not previously found." Concludes with recommendations on how to capitalize on the improved enabling environment.*

Pact Ethiopia, Mid-term Impact Evaluation of the Ethiopia NGO Sector Enhancement Initiative Project in Ethiopia, February 2000. *Evaluates strengths and weakness of what has been accomplished to date, and makes recommendations for follow-on activities, amongst which is that "USAID should more fully capitalize on the potential cross-sectoral synergies and field based activities information and contacts coming through the Project."*

Opportunities for Cross-Sectoral Synergies in the New Strategic Plan for USAID/Ethiopia, February 2000. *Paper prepared by Dana Ott of USAID AF/SD at request of USAID/Ethiopia DG SOT to identify existing synergies in the mission program, identify opportunities for greater synergies, and make recommendations for creation of a "culture of synergy."*

Paulos Chanie, Initial Observations on Problems and Prospects of the Civil Service Reforms in Ethiopia (Draft) Prepared for the Ninth Annual Conference on the Ethiopian Economy organized by the Ethiopian Economic Association and the Department of Economics of the Addis Ababa University, October 1999, Addis Ababa. *Points to the importance of the CSRP, strengths and weakness in its implementation, and makes the important observation that "the rationales for initiating the reforms are weakly articulated."*

USAID/Ethiopia, Final Team Report: Democracy and Governance Support Project, April 28, 1997. *Evaluation of USAID's Democracy and Governance program in Ethiopia to that date provides the basis for the subsequent more focused approach.*

United Nations Development Program, Addis Ababa, Mid-Term Evaluation of the Civil Service Reform program, 1999. *UNDP evaluation of the CSRP, the first reasonably comprehensive*

public evaluation of the program. Final draft not yet available. Input based on several oral debriefings and distributed handouts. Summarizes strengths and weakness, and underscores the need to strengthen coordination of the reform.

6. STI Bibliography

The analyses for this SpO drew on the following report:

- Organization for Social Science Research in Eastern and Southern Africa (OSSREA), Cross-Border Livestock Trade and Food Security in the Southern Ethiopia Borderlands Report, USAID OSSREA/BASIS-CRSP Project on Cross-Border Trade and Food Security in the Horn of Africa, July 1999,
- Broadening Access and Strengthening Input Market Systems (BASIS) CRSP and IQC progressive land, water, capital and labor market-enhancing policy work,
- Global Livestock Collaborative Research Support Program. Specific areas of research included: pastoral risk management, child nutrition, and livestock early warning systems,
- Borana Rangeland Development research, Oromia Bureau of Agriculture,
- Consultative Group on International Agricultural Research (CGIAR),
- International Center for Research on Women, Reducing Vitamin A Deficiency in Ethiopia,
- PROFILES, a Data-Based Approach to Nutrition Advocacy and Policy Development,
- Community-based Animal Health Care, Organization of African Unity/International Bureau for Animal Resources,
- Farm Africa, research on Southern Ethiopia and Pastoralist Projects,
- Explaining Child Malnutrition in Developing Countries: A Cross-Country Analysis, International Food Policy Research Institute,
- The Role of NGOs in Livestock Development in East Africa and the Potential for SR-CRSP/NGO Collaboration, by Christie Peacock,
- A Greater Intake of Animal Products Could Improve the Micronutrient Status and Development of Children in East Africa, by Suzanne P. Murphy and Lindsay H. Allen.

Discussions and strategic planning were held with:

- Economic Sector, Council of Oromia, Ethiopia
- Office of the President (Kenya) and National Coordinator, Arid Lands Resource Management Project (ALRMP)
- Oromia Cooperative Promotion Bureau (OCPB), Ethiopia
- Save the Children/USA (SC/USA), Ethiopia
- Organization for Social Science Research for Eastern and Southern Africa (OSSREA) and BASIS-CRSP, Ethiopia
- Oromia Agricultural Development Bureau (OADB), Ethiopia
- Utah State University, USA
- Cornell University, USA
- Marsabit Development Program/GTZ (MDP/GTZ), Kenya

- Financial Services Association/Kenya Rural Enterprise Project (FSA/KREP)
- International Livestock Research Institute (ILRI), Ethiopia
- Pastoral Concern Association for Ethiopia (PCAE).
- Pastoral and Environmental Network for the Horn of Africa (PENHA), Addis Ababa
- Famine Early Warning System/United States Agency for International Development (FEWS/USAID), Ethiopia
- The Global Livestock Collaborative Research Support Project (GL/CRSP)
- Borana Lowlands Pastoral Development Project/GTZ (BLPDP/GTZ), Ethiopia
- Oromia Extension Department, Ethiopia
- OAU/IBAR/PARC, Kenya, and Tufts University, USA
- Pastoral Development Unit (PDU) of the Ethiopian Federal Ministry of Agriculture
- Volunteers in Cooperative Action (VOCA), Ethiopia
- Ethiopian Agricultural Research Organization (EARO), Addis Ababa
- Southern Rangelands Development Unit (SORDU), Ethiopia
- CARE-Ethiopia
- Borana Zonal Administration, Ethiopia
- Borana Zonal Agricultural Development Bureau (OADB-Borana), Ethiopia
- Borana Zonal Cooperative Promotion Bureau (OCPB-Borana), Ethiopia

Somali Regional State:

- Filtu District Commissioner and staff
- PACE staff/Filtu
- Dollo District Commissioner and staff
- Suftu Officials - Dollo Woreda
- Ethiopian Military - Dollo
- Dollo Community Elders
- Women's Group
- Pastoralists
- Dollo Bai District Commissioner and staff
- Dollo Bai Community Elders

Kenya:

- District Commissioner and staff in Mandera, Kenya
- Pastoralists

Somalia:

- Dollo/Somalia District Commissioner and staff
- Dollo/Somalia Community Elders
- Women's Group
- Pastoralists

CROSS CUTTING THEMES

1.1 NUTRITION.

The Mission's strategy directly addresses issues of availability and access through activities to increase agricultural production and productivity, household income, and efficiency of agricultural markets. However, the Mission has chosen to address utilization or nutritional status as a crosscutting issue. This is because the level of *utilization*, which is manifested by nutritional status, has a multi-faceted nature. The extreme level of malnutrition in Ethiopia is a reflection of the low levels of health and education and education status and the policy environment that affects the various sectors. Therefore, addressing the problem from all angles is considered important.

To address these issues, through the ESHE SO, the Mission will undertake activities to significantly improve maternal nutrition during pregnancy and lactation, including the distribution of iodized oil capsules, high dose Vitamin A capsules, and iron-folate supplements. It will also undertake activities to promote optimal breast-feeding practices for children aged zero to 24 months and to distribute Vitamin A supplements to children aged six to 72 months. More generally, it will continue to support immunization programs and parasite control programs and expand its work with regard to malaria control, environmental sanitation, and access to clean water to support imore targeted nutritional efforts.

The Mission will strengthen the nutritional instruction and learning components of its basic education program under BE SO and support an expanded nutritional research and extension services targeted on women and children through the RHPP SO. In the DG SO sector, the Mission is addressing human rights and will focus on advocacy for access to food as a basic human right and the implementation of policy dialogue for delaying early marriage for girls and extending maternity leave. The framework on the following page summarizes those elements of the Mission's program, which contribute to improved food "utilization." Additional detail is provided in the results framework for each contributing strategic objective.

Major Components of the Nutrition Approach

<p>Improving Family Health</p> <p>IR.1: Use of high impact child survival interventions, including nutrition increased</p> <p>BCC & demonstration Promote optimal breast feeding Promote optimal complementary feeding Promote adequate feeding during and after illness including HIV positive children and mothers Delay first pregnancy & child spacing Improved dietary habits</p> <p><i>Supplementation</i> Vitamin A supp. Iodine supp. Iron & folic acid supp.</p> <p><i>Fortification</i> Salt fort. Sugar/edible oil fortification IR.2: Use of selected high impact reproductive health services, including maternal nutrition Family planning with emphasis on adolescence reproductive health ANC safe delivery and PNC Post Abortion Care</p>	<p>Basic Education</p> <p>Sub-IR 2.2 Curriculum on socially relevant topics.</p> <p>Incorporate nutrition message into the curr. of both formal and non-formal system and other supplementary education materials Incorporate nutrition and related topics (FP, HIV/AIDS etc.) into the curr. of the TTIs Incorporate nutrition into the development of educational materials for in-service training Include nutrition awareness education through female support program</p> <p>IR 3Community-government partnerships in education</p> <p>Provide nutrition education to community leaders (TOT), and members, DAs and teachers/school leaders Expand co-curricula activities (school clubs) in the area of nutrition, FLE, environmental sanitation and HIV/AIDS</p> <p>Coordinate distribution of vitamin A supplementation to school children with Family Health S.O. team.</p>	<p>Rural Household Production and productivity Improved</p> <p>IR4: Food and agricultural research systems in target areas strengthened</p> <p>Incorporate nutrition into the research agenda (identification more nutritious food, food transformation and preservation technology Identification/adaptation of labor saving technologies</p> <p>IR5: Extension service dissemination of technology information in target areas improved</p> <p>Incorporate nutrition messages into curriculum/instructional materials of dev. and home agents Train the DAs and home agents on nutrition and follow-up</p> <p>IR1: Integration of food, livestock and factor markets increased.</p> <p>Market information system Policy research and dialogue on the structure of food markets</p>	<p>Minimizing and mitigating effects of Disasters</p> <p>IR2: Effective targeting and timely and adequate response to natural and man-made crises. Appropriate supp. Feeding Essential micronutrient supp.</p>	<p>More effective governance and civil society</p> <p>IR2: Judiciary and respect for human rights strengthened</p> <p>Advocacy on access to food as a basic human right Enforcement of laws on early marriage for girls and extending maternity leave</p>	<p>SPO-STI Improved livelihoods of targeted groups in this region</p> <p>IR 6: Effective and appropriate maternal and child health and nutrition interventions identified and developed and improved basic education for nomadic communities.</p>
--	--	--	--	---	---

1.2 HUMAN AND INSTITUTIONAL CAPACITY DEVELOPED

Building human capacity through education and training has long been an important Agency goal.¹ This Agency goal compliments and supports the GFDRE's own emphasis on human and institutional capacity building as articulated in its "Capacity building Strategy and Program Framework." This framework states that "capacity building is central to the on-going socio-economic development and democratization of the country. It is . . . imperative that an overall capacity building program [be] developed." It also notes that "capacity building involves developing human resources, building and strengthening institutions, establishing effective working practices and combining these three aspects." Discussions with the government, including the Prime Minister, have repeatedly stressed the need to develop the formal and informal systems and institutions within Ethiopia needed to expand personal opportunities and improve the abilities of individuals and institutions to contribute to the sustainable political, economic and social development of the nation.

Ethiopia has instituted a policy of regionalization, which involves establishing Regional Councils of Representatives with tax and budgetary authority and devolving real political power and responsibility for social services and development to local government bodies. This responsibility of decentralized administrations for the provision of basic social services at region, zone, and *woreda* (district) levels envisages a high level of community participation and management. This devolution of responsibility and the expectation of local involvement has greatly complicated and expanded the need for human and institutional capacity development.

Several studies have also underscored the need for building capacity, including the recent Public Expenditure Review, which concluded that the critical public resource constraint is utilization, stemming from a lack of capacity. Similarly, the second Annual Progress Review of the national health and education sector development programs in April 2000 reconfirmed a lack of capacity at virtually all levels.

The government is cognizant of the enormity of the challenge, and has instituted a comprehensive Civil Service Reform Program, part of which is designed to address the issue. There remains however, a similar need to develop capacity within the non-public sector, including the capacities of NGOs, community-based organizations (CBOs), and other civil society organizations (CSOs), which can provide leadership and technical skills for the nation's development.

USAID has been involved in human and institutional development in several sectors since the revival of our bilateral program following the change of government in 1991. USAID will continue to use this key development tool as an integral part of our support program for the coming strategic planning period, using a mix of technical assistance, research, training, and physical strengthening of Ethiopian institutions. Capacity development efforts will remain integral to individual strategic objective efforts, but will emphasize the transformation and improvement of local institutions to enable Ethiopia to sustainably develop its own human capacity. USAID capacity development efforts will emphasize links between tertiary education institutions in Ethiopia, within the region, and with US institutions to provide much needed technical expertise to strengthen Ethiopian institutions and provide a conduit for new

¹ Human capacity built through education and training is the Agency's third strategic goal (see USAID Strategic Plan, 1997). USAID's definition of education and training includes access to information communication technologies (ICT).

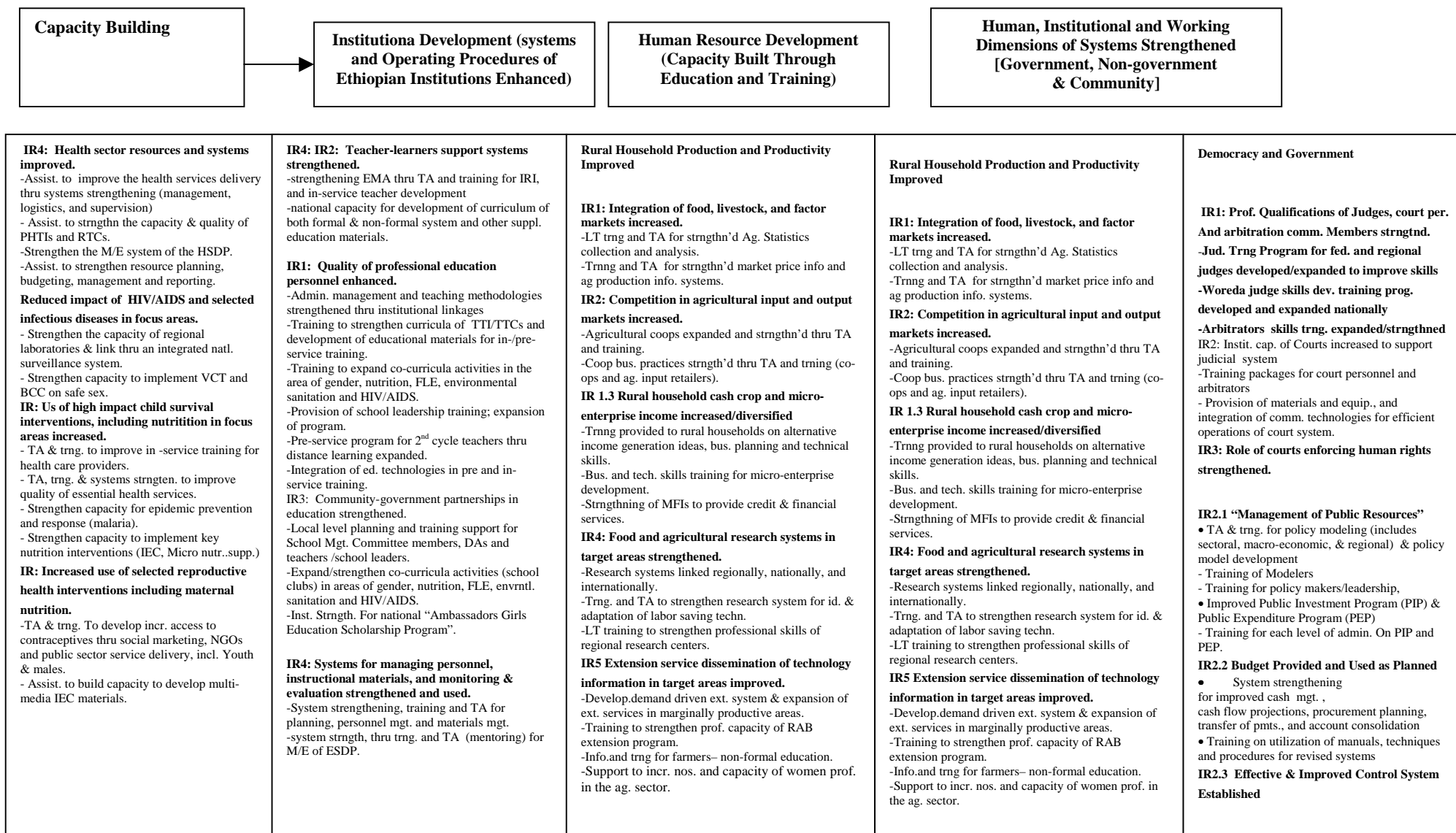
ideas, methodologies, and technologies. USAID will utilize the skills provided by the IFESH Teachers for Africa volunteer program in a coordinated way to support those post-secondary training institutions in support of our ISP and proposed strategic objectives as well as to improve the gender imbalance in Ethiopian capacity.

One of the primary objectives of the Democracy and Governance Program is to enhance the quality of justice and ensure the efficiency of the court system in Ethiopia. Training of the judges within the system is of paramount importance to achieve this objective. Initially some 1,500 judges will receive training. A sustainable training system will be developed and a permanent Training Unit for the Federal Supreme Court will be established and operational by 2002. A communications network will be established to provide serving judges the facility to communicate with one another, and access a common information base. Codes, criminal and civil procedures and proclamations will be provided for High and Supreme courts at both Federal and Regional levels. Materials, libraries, improved communications, and training at the level of high and supreme courts will provide a significant improvement in the quality and capacity of the Ethiopian judicial system.

The D/G program is essentially a capacity building strategic objective. Training programs for civil servants of government institutions at all levels will be conducted with assistance of TA and regional management institutes. Institutional support to the national civil service college and the regional management institutes will also be provided. Training to senior public sector managers to increase their awareness in the new financial management changes and improvements will be provided both locally and abroad. There will be extensive development of systems that affect the allocation, execution and control of public finances. Procedure manuals that govern the different facets of the management of public resources will be either developed or revised, and put into operation.

Rural Household Production and Productivity Improved focuses on building human and institutional capacity in several areas related to increasing rural household production and productivity. These include developing skills related to: (1) promote agricultural market competition; (2) better integrate agricultural input and output markets; (3) support micro-enterprise development in rural areas; (4) strengthen agricultural research systems; and (5) to improve the dissemination of technology information. The basic approach is to provide technical assistance and training (both formal and informal) to build individual skills at levels ranging from rural households to professional, and to develop institutional support systems to contribute to the objective. Links via ICT to Ethiopian institutions with the International Agricultural Research Centers (IARCs) and potentially with US and African regional universities and research networks will be facilitated and supported. Particular attention will be given to developing the capacity of women at all levels to contribute to the objective.

Annex 3 to USAID/Ethiopia ISP 2001-2006



1.3 MULTISECTORAL RESPONSE TO HIV/AIDS

During the early years of the pandemic HIV/AIDS was considered a health problem. However, the scale of human tragedy has revealed that it is a serious threat to achievement in human development. Ethiopia has the third largest population of HIV-infected persons in the world accounting for about 9% of the world's HIV/AIDS cases. The estimated percent of adults aged 15 to 49 infected with HIV is 10.6%, making Ethiopia sixteenth in HIV prevalence.

The first evidence of HIV infection in Ethiopia was found in 1984 with the first AIDS case reported in 1986. Today the total number of adults and children infected with HIV is estimated to be about 2.6 million, out of which 250,000 HIV infections are among children under the age of five². The cumulative number of AIDS deaths from the beginning of the epidemic was estimated at about 1.2 million in 2000. This figure is expected to increase to 1.7 million by the 2002¹, with the majority of deaths occurring in young adults in their most productive years.

HIV/AIDS is a major development crisis affecting all sectors and hence requires a response involving all sectors. USAID/Ethiopia is committed to addressing the impact of HIV/AIDS in all five of its strategic objectives acknowledging that the only way to halt the epidemic is to have a coordinated response in the prevention and mitigation of the disease.

1.3.1 The effect of HIV/AIDS on Governance

HIV/AIDS is not only a human tragedy but also a human rights issue. People living with HIV/AIDS (PLWHA) in Ethiopia often face ostracism, stigma, rejection and isolation by community members, family and friends. There are reports of expulsion from home, denial of support, harassment, physical violence, denial of treatment and health care, denial of access to education, information, notification without confidentiality and termination of employment. Where people with AIDS risk rejection and discrimination, those who suspect they have HIV may avoid getting tested and refuse to take precautionary measures for fear of revealing their infection. They may even avoid seeking health care. Thus promoting human rights is an integral part in the fight against HIV.

The HIV/AIDS policy of the Ethiopian Government has clearly indicated the need to ensure the protection of human rights of PLWHA². However, there is no specific provision in Ethiopian law to protect the human rights and dignity of PLWHA and their associates, and this must be addressed. To this end the Democracy and Governance Strategic Objective will support the cross sectoral theme in the following ways:

- Enhance the capacity of relevant NGOs with regard to both service delivery and advocacy.
- Train judges and support advocacy organizations to safe guard the rights of people living with HIV/AIDS and their dependants and survivors;

² AIDS in Ethiopia, Disease Prevention and Control Department, MOH, 3rd edition 2000

² The Federal Democratic Republic of Ethiopia. Policy on HIV/AIDS. August 1998.

- Enhance the efficient use of financial resources in the health sector, including HIV-AIDS

1.3.2 The effect of HIV/AIDS on agriculture

The agricultural sector is the backbone of the country's economy as it contributes to approximately 50% of the GDP and is the livelihood of 85% of Ethiopians. HIV/AIDS is a threat to sustainable agriculture and rural development through its systemic impact. The loss of workers at the crucial periods of planting and harvesting can significantly reduce the size of the harvest. In countries where food security has been a continuous issue because of drought, any declines in household production can have serious consequences. Additionally, a loss of agricultural labor is likely to cause farmers to switch to less-labor-intensive crops. Thus, AIDS could affect the production of cash crops as well as food crops. In the case of Ethiopia, the effect of AIDS on agricultural production and food security will be devastating, as Ethiopia is already a food insecure country.

Mission activities under this SO that would support the prevention and mitigate the impact of HIV in this sector include:

- Support the promotion of HIV/AIDS education among the Extension staff in the focus areas.
- Partner with VOCA and ACDI in working with cooperative promotion bureaus in incorporating HIV/AIDS awareness in the training of cooperative board of directors and managers. ;
- Explore the possibility of positioning socially marketed condoms within the cooperative shops, targeting the coffee cooperatives as the first point of entry into this new activity.

1.3.3 The effect of HIV/AIDS on Health

Ethiopia has an already overburdened health care system that is unable to deal with the added burden from the HIV epidemic. As the epidemic progresses the number of people seeking services will increase dramatically along with a corresponding increase in costs for medical care and drugs, as well as costs related to funeral expenses. The health sector will further be challenged by the reduction in the effectiveness of the labor force caused by increased stress and burn out of staff, absenteeism of staff due to the need to care for sick family members as well as increased morbidity and mortality amongst health care staff.

Specific interventions to address the prevention and mitigation of HIV/AIDS in the general population include information, behavior change communications; voluntary counseling and testing; condom promotion and availability; expanded and improved services to prevent and treat sexually transmitted diseases and the care of orphans and children affected by HIV/AIDS. Care for orphans and children affected by HIV/AIDS would utilize both Title II and development assistance resources and would be closely aligned with the Humanitarian/Mitigation objective. SO specific activities are clearly outlined in IR 4.4.

1.3.4 The effect of HIV/AIDS on Education

AIDS affects the education sector in at least three ways: the supply of experienced teachers will be reduced by AIDS-related illness and death; children may be kept out of school if they are needed at home to care for sick family members or to work in the fields; and children may drop out of school if their families can not afford school fees due to reduced household income as a result of an AIDS death. Additionally, teenage children are especially susceptible to HIV infection, notably out-of-school youths. Therefore, the education system also faces a special challenge to educate students about AIDS and equip them to protect themselves while maintaining a viable base of teachers to staff the classrooms.

Specific activities under this SO that would help address HIV related issues in the education sector include:

- Collaboration within relevant ministries/offices (e.g. Ministry of Health, national Anti-AIDS Boar, etc.) to develop syllabi and to identify materials that could be adapted to improved for primary school use. Assistance if required in development of norms and protocols for treatment of sensitive topics(e.g. introduction to avoidance of STDs at an early age; support to people living with AIDS) by the relevant central bodies will be provided;
- TA and training to REBs and regional writers (radio and print media) in development of curriculum and materials/media on specific topics, in collaboration with relevant regional offices (health, anti-AIDS, environment).
- Challenge grants/awards to individuals and groups for creative media (scripts, theater, puppet shows) appropriate for primary school students on the identified topics.
- Social marketing of condoms by trained students in dormitories as a appropriate way to increase supply as well as provide modest income for needy students.

1.3.5 The effect of HIV/AIDS on disaster response and mitigation

The impact of HIV/AIDS at the household level is more immediate than that at the macro-economic level. HIV infection is more prevalent among the productive age groups, who are the income earners of the family. The death of such individuals results in a loss of income for the family. In addition, caring for the infected and orphans increases the demand for extra resources at the household level. A woman with a sick husband spends 60% less time on agricultural activities ³ thereby contributing greatly to food insecurity. The death of a breadwinner forces families to sell assets as a coping strategy, making the poor more vulnerable and trapping them in a vicious cycle of poverty.

Under this SO, the **activities** that will address poverty **and** alleviate acute hunger include:

- Collaborate with local NGOs providing home based care and support to people affected by HIV/AIDS. Food assistance and nutrition education will be provided to individual families and institutions so that a more comprehensive package of services can be provided at the community level (these activities would be carried out in conjunction with other prevention and mitigation activities as per the health objective).

- In conjunction with the Agriculture objective, undertaking activities to identify labor saving agricultural practices so that households affected by HIV/AIDS can remain productive even when individuals who are either infected, or who have limited time (due to other household commitments, etc.)

These activities will be implemented in conjunction with the Agriculture and Health objectives.

1.4 TITLE II INTEGRATION

Under the previous strategic plan, Title II resources were utilized to support various activities of Cooperating Sponsors¹ (CSs) under the USAID/E Special Objective (SpO) of “Enhancing Household Food Security.” The new strategy focuses on the need to improve nutrition, in particular the direct determinants of malnutrition, within all SOs

A recent joint donor-government assessment of food security in Ethiopia concluded that nutritional standards have been falling steadily over the last 15 years. Past efforts in Ethiopia to reduce malnutrition rates lacked focus and were inadequately integrated with interventions in the other sectors.

Since November 1999, the Mission has been working closely with FANTA (the Food and Nutrition Technical Assistance project) to improve the quality of the Title II programs and to integrate Title II and DA resources to better address nutrition. Through FANTA, an extensive workshop with Mission staff and Title II partners using PROFILES was undertaken in February 2000. A consensus emerged between the Mission and Title II partners about the focus of future nutrition activities to be supported with USAID resources (DA and Title II). A detailed description of activities corresponding to each SO and IR which could be implemented by the Title II cooperating sponsors are presented in the attached table.

Under the proposed ISP, Title II activities will be integrated into the various SOs. In particular, Title II resources will be utilized to support activities under the Governance, Agriculture, Health, Education and Humanitarian/Mitigation SOs.

1.4.1 Linkage Between Mission Objectives and Title II Programs

1.4.1.1 RHPP

In line with the GFDRE Food Security Strategy (FSS) and the National Food Security Programs (NFSP), Title II resources are being utilized to carry out activities focused on increasing access and availability to food which will ultimately improve the food security of populations in program areas. Title II Cooperating Sponsors have been quite active in this regard. Significant proportions of their resources have been used for activities targeted at improving rural household production and productivity. What remains to be done is to link these gains in productivity to improvement of household utilization of food.

Mission development assistance (DA) resources under this objective are focused on research leading to increases in production and productivity. As findings from this research come to light, there will be opportunities to integrate these lessons into the existing Title II programs in order to more directly link the two.

¹ The current USAID Title II Cooperating Sponsors are: Africare, CARE, CRS, EOC, FHI, REST, SCF/US, and WVI.

Improved nutritional standards can not be achieved only through increased agricultural production and productivity. A concerted effort to improve the health, education and other sectors will be required. Therefore, inter-sectoral integration of interventions is essential in order to achieve increased food security in general and improve nutritional status specifically. Consistent with the Mission Strategy, Title II programs will also give due consideration to gender as well as capacity development.

1.4.1.2 ESHE SO

The new health strategy focuses greater emphasis on programs to improve nutrition, in addition to activities listed under the Health SO. Cooperating Sponsor MCHN activities under the Health SO should focus on nutrition. Here the activities are focused on utilization – taking the improvements in access and availability (or production and productivity) achieved under the Agriculture SO – to decrease the rate of malnutrition.

In order to have the greatest nutritional impact, Title II resources will focus on children under the age of 24 months and pregnant and lactating women. A focus on these target groups will help to reach women and children prior to suffering from nutritional detriment. Additionally, the focus on these groups will provide greater opportunities for synergy with Mission DA funded activities under this SO.

Adequately integrating health interventions (under the Health SO) with other components of Title II programs (e.g. agriculture and off-farm activities, education, disaster mitigation, water and sanitation, etc.) are indispensable for optimal impact on nutrition.

1.4.1.3 BE SO

The new education strategy focuses on teacher development, and lesser emphasis on the remaining three intermediate results. Three of the four intermediate results involve activities related to nutrition curriculum development for both the primary level and the teacher training institutions. School nutrition-related activities are implemented through school clubs together with other socially desirable issues.

1.4.1.4 MED SO

In the context of the Humanitarian/Mitigation SO, Title II resources will support capacity building among Cooperating Sponsors, as well as regional and local counterparts. Capacity building will focus on mitigation activities, early warning systems and the development of vulnerability and livelihood profiles, ensuring effective targeting of Title II resources, and appropriate micro-nutrient and supplementary feeding.

Potential Title II Supported Activities under the USAID/E Mission Strategic Objectives

<p>Rural household production and productivity increased</p> <p>IR1: Integration of food, livestock and factor markets increased.</p> <ul style="list-style-type: none"> Improved integration of markets through construction and maintenance of the rural roads <p>IR2: Competition in agricultural inputs and output markets increased</p> <ul style="list-style-type: none"> Cooperative and community training on input and output marketing Provision of credit, other support to input retailers and small output traders <p>IR3: Rural household cash crop and microenterprise income increased/ diversified</p> <ul style="list-style-type: none"> Agricultural credit and input supply Small scale irrigation and water harvesting Vegetable gardening Promoting and supporting micro-entrepreneurs, rural credit, saving and financial institutions Training of communities and households on micro-enterprises, off-farm activities, etc. <p>IR5: Extension service dissemination of technology in target areas improved</p> <p>Extension service and training for DAs and the community on:</p> <ul style="list-style-type: none"> Improved crop production techniques Improved livestock husbandry Natural resources management and conservation, watershed management Labor saving technology targeted at women Demonstration 	<p>Family health improved</p> <p>IR1: Use of high impact child survival interventions, including nutrition increased</p> <ul style="list-style-type: none"> Promote optimal breast feeding Promote optimal complementary feeding Promote adequate feeding during and after illness including HIV positive children and mothers Delay first pregnancy & child spacing Improved dietary habits Vitamin A, Iodine and Iron & folic acid supplementation Salt fortification Sugar/edible oil fortification <p>IR2: Efficient use of resources by the health sector for PPHC</p> <ul style="list-style-type: none"> Support to CSs in the delivery of health care services Promotion of revolving drug funds by CSs <p>IR3: Management of the health sector improved</p> <ul style="list-style-type: none"> Capacity building and training of zonal and woreda personnel and institutions Promotion of revolving drug funds by CSs <p>IR4.4: Impact of HIV/AIDS and selected infectious diseases in selected areas reduced</p> <ul style="list-style-type: none"> Strengthen voluntary counseling and testing (VCT) services Community-based IEC/BCC, VCT, support and care, (including orphans and PLWAs) through religious groups, and civic organizations; Awareness and risk reduction activities among special population groups (youth, girls, CSWs and workers) including through FLE, anti-AIDS Clubs; workplace; Water & sanitation / hygiene interventions and training <p>IR4.5: Use of selected high impact reproductive health services, including maternal feeding and dietary practices, increased</p> <ul style="list-style-type: none"> Assistance to improve the quality of reproductive health services Assistance to improve family planning, ante and postnatal care services Food supplementation to high-risk pregnant women Support for Vitamin A and Iodine supplementation 	<p>Quality and equity in primary education enhanced</p> <p>IR3: Community involvement in education strengthened</p> <ul style="list-style-type: none"> Provide nutrition education to community leaders (TOT), and members, DAs and teachers/school leaders Expand co-curricula activities (school clubs) in the area of nutrition, FLE, environmental sanitation and HIV/AIDS Coordinate distribution of vitamin A supplementation to school children School health education Training of women on nutrition, family planning, mother & child care, HIV/AIDS 	<p>Mitigate Effects of Disasters</p> <p>IR1: Increased adoption of mitigation measures against natural and man-made disasters</p> <ul style="list-style-type: none"> Enhance the early warning system of CSs and communities Strengthen the nutritional surveillance capacity of the CSs Strengthen the crop and needs assessment capacity of CSs Training on early warning and food security <p>IR2: Effective targeting and timely and adequate response to natural and man-made crises.</p> <ul style="list-style-type: none"> Provision of food to vulnerable popul. through food -for-work programs Supplementary feeding of children Essential micronutrient supplementation
---	---	--	--

CONFLICT VULNERABILITY ASSESSMENT

Conflict is no stranger to the Horn of Africa. Deadly conflict has been a fact of daily life for too many Ethiopians over too many decades. During the past 38 years, Ethiopia has endured three wars, including 17 years of civil war. Ethiopia emerged in the early 1990s as a relatively peaceful, constitutional democracy led by a popularly elected government that has focussed on the development of the country and its peoples. Promoting regional stability and responding to chronic food insecurity lie at the core of U.S. national interests in Ethiopia. Its central location and long borders mean that stability in Ethiopia is a cornerstone for stability in the Greater Horn of Africa. Drought conditions placed 10.5 million rural Ethiopians at risk in 1999-2000, making the issue of chronic food insecurity a pressing humanitarian concern.

Ethiopia, as a landlocked state, manages complex relations on all its borders with the goal of regional stability. Regional stability in the Horn of Africa and stability in Ethiopia lie at the core of U.S. national interests.

An assessment of USAID programs' vulnerability to conflict is critical to successful strategic planning. Identifying what USAID can do (in concert with other donors) to prevent and mitigate conflict, while more problematic, is just as essential. USAID/Ethiopia, by actions already taken, contingency plans recently approved, and proposed activities under this ISP, illustrates how a mission (and country team) can anticipate and address this concern.

POTENTIAL SOURCES OF CONFLICT

The Mission has identified six potential areas of conflict in Ethiopia that could have adverse affects on the ability to achieve the results described in this six year integrated strategic plan. Disputes in some of these areas have already led to open conflict and warfare. Other areas of conflict could burst into open hostilities as situations unfold. Other areas of intermittent conflict have been present for decades, and could heat-up during the plan period as tensions increase.

The potential areas of conflict are

- The Ethiopia – Eritrea Border Conflict, including the impact of internally displaced people (IDP), and other potential border disputes,
- Drought and famine,
- Increased pressure on scarce natural resources, especially in pastoralist areas,
- Federalism and resource allocations to regions,
- The Nile River Basin and water utilization, and
- Islamic extremism.

BORDER CONFLICTS.

This assessment of conflict starts with the Ethiopia – Eritrea Border Conflict, including the impact of internally displaced people (IDP), and other potential border disputes. USAID's proposed strategy includes two programs designed to reduce the threat of border conflict. Both of these programs link development activities to government-to-government consideration of cross-border solutions.

On May 6, 1998, fighting broke out between Ethiopian and Eritrean government armed forces along the two countries' common border. The fighting continued for more than two years, and was characterized by relatively short bursts of extremely heavy fighting. Although the exact number of military casualties are not known, analysts generally agree that tens of thousands of soldiers (estimates range between 50,000 and 100,000) from both sides were killed in the fighting.

On June 18, 2000 the Government of Ethiopia and Eritrea signed an Agreement on the Cessation of Hostilities. The agreement was brokered by the Organization for African Unity (OAU) with participation from the United Nations, United States of America and European Union. Although the Agreement is explicitly not a peace treaty, it does pave the way for further consolidation of the peace process.

By the time a formal peace agreement is signed, the people displaced by the border conflict will have been away from their homes and fields for at least two complete agricultural seasons. The presence of landmines and unexploded ordnance will continue to delay the return of IDPs, and the re-establishment of agricultural production, in some areas. Many of the displaced lost all of their productive assets. They will return empty-handed to damaged or destroyed homes and villages. Roads and communications networks damaged from war and neglect will delay the re-establishment of normal trade routes. Schools and health posts have lost equipment, furniture and supplies, hindering the delivery of basic social services. The markets infrastructure in the region has been disrupted not only by war and displacement, but also by the loss of significant cross-border activity. To move from "Cessation of Hostilities" to real peace and stability will require significant effort to address the damaged structures, infrastructures and interrelationships that formerly characterized this region.

Despite the border conflict, USAID/Ethiopia was able to mitigate the effects of conflict, implementing programs designed to strengthen coping mechanisms, a form of preventative assistance. The Mission is prepared to focus on post-conflict reconstruction in the wake of the Agreement on the Cessation of Hostilities between the two countries.

In September 2000, USAID Ethiopia submitted a "Contingency Plan for Rehabilitation of Conflict Affected Populations and Areas in Northern Ethiopia." The aim of this plan was to catalyze response by USG agencies and other donors to address the critical problem of internally displaced people on the border with Eritrea, their humanitarian needs, and the extra burden placed on communities in the region. The plan was approved by

USAID/Washington, the NSC, and the State Department (see annex 7.2, Cable: STATE 204976, Dated 10/26/2000).

The Contingency Plan describes short and medium term needs for the special concerns of this area. The MED SO IR3 incorporates the recommendations of that plan: to support the return of displaced families, rehabilitate infrastructure and social services, alleviate human suffering, and stabilize the present situation to strengthen the peace process. The Contingency Plan was intended to address an immediate and short to immediate term challenge facing the GFDRE. In addition to food and non-food aid, the Strategic Objective teams were asked to identify DA and CSD resources that could be immediately reprogrammed to help stabilize the region. This was done and reprogramming is now being initiated.

Ideally, these activities would be undertaken simultaneously on both sides of the border, encouraging the resumption of cross border ties to strengthen the peace process. To accomplish this goal, USAID proposes an **Ethio-Eritrean Border Development Fund (BDF)**. The BDF would coordinate and support development interventions on both sides of the border, designed to consolidate the peace over the medium to long term. The BDF would manage and partially fund the restoration of socio-economic institutions and resumption of cross border trade. The strong input of the affected communities is designed as an additional confidence-building measure.

This is a politically sensitive initiative, and the time may not yet be right for its implementation. Despite possible delay in the implementation of the BDF, the achievement of the MED SO IR3 results will help to restore the historical bonds between Ethiopia and Eritrea, removing some of the barriers to normalization, and working to consolidate the peace at the community level.

DROUGHT AND FAMINE

Ethiopia has a long history of famine and conflict related disasters. In CY 2000, nearly 10.5 million people, (roughly one-sixth of the population) were estimated to be in need of food and non-food assistance. Food requirements exceeded 1.3 million metric tons (MTs). Extraordinary efforts were deployed to mobilize, transport, distribute and monitor the commodities needed to address the biggest humanitarian operation in the world at that time. As a result of the concerted efforts of the GFDRE, donors, UN agencies and PVOs/NGOs, famine was averted. In FY 2000 humanitarian aid to Ethiopia represented the single largest US emergency response program. The monetary value of USG-provided food commodities (\$332 million) plus non-food programs assisting drought-affected and war-affected (\$17 million), combined with ongoing development programs (\$40.3 million) totaled almost \$390 million.

This crisis demonstrates that disasters and development in Ethiopia can no longer be treated as discreet events. Today the technology exists to identify slow or fast onset hazards that threaten vulnerable communities, thereby enabling early response to mitigate

the impact on development. This capacity must be built into development programs, or risk the loss of hard-won progress during the next drought.

The USG's timely and generous response to the drought and potential famine that put 10 and a half million people at risk, serves as an outstanding example of humanitarian assistance. It is only one part of a multi-faceted approach to mitigating the effects of disasters, both natural and man-made. The strong emphasis on targeting food aid continues two years of work, and will be strengthened under the ISP. This effort and food aid monitors deployed to critical regions ensure that food aid is allocated to where the need is greatest.

INCREASED PRESSURE ON SCARCE NATURAL RESOURCES, ESPECIALLY IN PASTORALIST AREAS

In the pastoralist areas of Ethiopia, the harsh environment, combined with ineffective social and political coordination, has sometimes resulted in conflict over control of available resources. Competition over access to water for humans, livestock and small-scale irrigation, land for farming and pasture are principal sources of social tension, as are access to health, education and other government-provided services beyond the primary towns in the region. Seasonal migrations of livestock in search of pasture and water, coupled with the strict cultural obligation to extend hospitality to refugees (and their cattle), regularly stress social and political structures and systems in the target area.

USAID/Ethiopia's Southern Tier Initiative Special Objective will develop a pilot integrated program of animal and human health service delivery, education adapted to pastoralist communities, and programs to enhance traditional dispute mechanisms. The focus is on several districts along the border with Kenya. The presence or threat of conflict can reverse developmental gains, and discourage future programs or investments. The conflicts are fed by generations of rivalries between major pastoral groups. Many local civil society organizations have programs to manage conflict, and international NGOs, intergovernmental organizations and donors are increasingly preoccupied with understanding conflict and experimenting with solutions. SCF/US is implementing a conflict prevention activity with USAID funding in the Somali Region. This two-year pilot activity will improve the ability of local political and traditional leaders to mitigate conflict and reduce social tensions. A team of Addis Ababa University conflict specialists undertook an assessment of conflict and mitigation mechanisms for the Liben and Afder Zones, and completed a capacity building training manual. The manual has been successfully pilot tested and the district level government has requested SCF/US to expand the project in other districts.

USAID/Ethiopia has held extensive discussions with its Ethiopian counterparts on the design of the Southern Tier initiative, including a two-week, joint field-assessment of problems, constraints and potential activities. USAID participation in the assessment included a representative from the GHAI Nairobi Office.

USAID/Ethiopia also discussed the Southern Tier Initiative with USAID/Kenya and select Kenyan government officials informally. After the Ethiopian government has fully vetted the Southern Tier Initiative within its own structures, it will be presented to the Joint Ethio-Kenyan Border Commission for discussion, refinement and joint implementation. USAID/Ethiopia is aware of the Interagency Working Group's instructions to USAID/Kenya, REDSO and itself to support this program jointly and looks forward to enhanced collaboration with its partners in this regard

FEDERALISM AND RESOURCE ALLOCATIONS TO REGIONS

The Strategic Planning Update Cable (see Annex 7.1) raised the concern that USAID support for Ethiopia's constitutional system of "ethnic federalism," risks violating the development tenet "to do no harm." The federal system is controversial in its recognition, and some might say encouragement, of political division along ethnic and tribal boundaries

There is a risk that the Ethiopian constitutional experiment will fail. However, as Prime Minister Meles recently observed, approaches to ethnicity in Africa that "wish it away, pretend it doesn't exist" or "create some kind of amalgam" have failed¹

While not unmindful of the risks, the US Mission in Ethiopia has made a studied decision to support Ethiopia's constitutional experiment. As stated in the MPP, "All country team elements will support the strengthening of Ethiopia's fledgling democratic institutions, with emphasis on institution building within the context of Ethiopia's existing constitutional structure of ethnic federalism." USAID is committed to this aim as reflected in the strategic objectives proposed in this ISP.

USAID/Ethiopia strongly supports the principle that decision making should be devolved to levels of governance close to the people affected by the decisions. The ability of a government to maintain its legitimacy depends in large measure on its ability to effectively respond to the demands of its citizens. This ability in turn depends on the government's ability to effectively manage resources. To ensure increased citizen access to government, Ethiopia has committed itself to breaking down the centralized forms of government it experienced during the periods of the Emperor and Derg regime, building a federal system of government, and devolving authority and responsibility for development to local and regional governments. To this end, the GFDRE is undertaking the civil service reform, including components that seek to improve the management of public financial resources. USAID has led donor support to the Civil Service Reform Program to facilitate more effective and transparent management of expenditures at federal and regional levels.

Reduced conflict depends on the success of democratic federalism. Democratic federalism can only be successful if Ethiopians believe that public resources are allocated fairly among and within regions, and that the regions use available resources in ways that benefit all citizens equitably.

¹ Remarks from a speech at Harvard University's Kennedy School of Government in September 2000.

In the early years of the GFDRE, public resources were allocated to regions using a formula based on area, population size, implementation capacity, level of development, and revenue generation capacity. This formula was explicitly designed to ensure equity among regions. In the last two Ethiopian budget years, however, the factors considered were reduced to three and weighted as follows: (1) population 60%; (2) level of development 25%; and (3) revenue generation capacity 15%. Six factors were considered in assessing a region's level of development. These were (a) health; (b) education; (c) electricity; (d) roads; (e) water and (f) telephones. The initial formula and subsequent modifications indicate the GFDRE's commitment to an equitable allocation of public resources among regions.

Recent studies² have concluded that the critical public resource constraint is utilization. Regions vary widely in their capacity to plan and implement development programs. For historical reasons, those with the greater capacity constraints are the Somali, Afar and Benshangul-Gumuz regions. Those with greater capacity are Amhara, Oromia and Tigray, but, even in these regions, trained and experienced officials are in short supply. Hence although resource allocations may be reasonably fair in the short-term, results vary greatly according to regional capacity. This is already leading to a perception of imbalance among regions. Accordingly, USAID/Ethiopia has an intermediate result under its DG SO related to the efficient utilization of public resources, and has included capacity-building intermediate results into each of its other objectives.

Sector programs under health and education are building regional capacity to implement and better utilize the funds. Progress continues on the very difficult issue of balancing federal and regional roles and responsibilities. Health and education sector development programs lead, with innovative approaches to revenue generation and retention. The Ministry of Finance is field testing budgeting and accounting reforms at the regional level. (USAID's Decentralization Support Activity (DSA), being conducted by Harvard University in partnership with the GFDRE, has been at the center of these reforms.)

Over the longer-term, broad-based economic growth is expected to expand the resource base and lessen economic competition among Ethiopia's social and ethnic groups. The GFDRE has adopted a strategy of "agriculture-led industrial development." This strategy is based on the fact that approximately 85% of population derive their livelihood from agriculture, and other sectors will not progress until the agricultural growth rate is increased. Accordingly, USAID/Ethiopia has adopted an objective to increase the income of rural households through policy reforms at the national and regional levels, and the dissemination of new technologies intended to increase household productivity and the efficiencies of agricultural markets.

²e.g., February 2000 Public Expenditure Review; joint assessments of ESDP and HSDP³ PACT, a US PVO, has a cooperative agreement with USAID to carry out the Ethiopian Non-governmental Sector Enhancement Initiative.

USAID also supports democratic federalism through its activities to strengthen civil society. Through Pact,³ USAID has provided capacity building support to 85 local NGOs involved in food security, health, education, orphans and street children, and democracy and governance. USAID support has helped NGOs form networks in micro-finance, education, help for street children, and voter education. As a result, NGOs are more credible partners with the Government for discussing policy and implementing programs. The Mission supported the Ministry of Justice in the drafting of revised NGO legislation, building bridges between the Ministry and the NGO community.

NILE RIVER BASIN AND WATER UTILIZATION

The Nile River Basin countries have much to gain from cooperation over use of this vital resource. However, this is potentially an area where conflict could quickly erupt if the countries can not resolve their differences over the use of the water flows. The GDRFE, as well as other regional governments, believe that Egypt has been reluctant to have an open, transparent dialogue over water utilization. PM Meles has indicated that usage of the water basin must be resolved, especially with Egypt, if the region is to have long-term stability. Ethiopia has many areas, especially agriculture deficit areas that could benefit from increased water flows.

USAID/Ethiopia, if given additional resources (See Section 9 Resource and Program Management Requirements), could be much more active partner in the Nile Basin Initiative. The Mission will continue to promote under the RHPP SO better watershed management practices, but lacks the kind of resources needed to comprehensively address the opportunities and other complex issues that confront the country Ethiopia, which supplies 86% of the water to the Nile.

ISLAMIC EXTREMISM

The threat from Islamic extremists to stability in Ethiopia (and neighboring countries) is multifaceted. It encompasses larger geopolitical issues such pressures across international borders and competition for resources from countries as far away as Egypt (i.e. the waters of the Nile).

USAID/Ethiopia's ISP supports two broad themes that respond in some measure to the threat and underlying issues:

1) A More Inclusive and Open Society: All Ethiopian citizens share a common set of rights, and all social, economic and political institutions should serve all citizens equally regardless of the individual's ethnic or religious identity or their gender. The Constitution of the Federal Democratic Republic of Ethiopia guarantees fundamental human rights based on international covenants. Among the rights guaranteed are equal protection under law and equality before the law; freedom of speech, expression and association; freedom of religion, belief and opinion; and the right to hold property. In short, the Ethiopian Constitution establishes the basis for a new social contract and the

evolution of new social, economic and political institutions. Constitutional principles, however, must be converted to laws and Ethiopians must be aware of and able to express their rights under law if Ethiopian society and its institutions are to become more inclusive and open.

(2) A **Greater Reliance on the Rule of Law: Fundamental** human and civil rights are preserved through the rule of law and enforced by an impartial judicial system. During the Mengistu Regime, the judicial system was subservient to political ends and basic rights were ignored. The Constitution of the Federal Democratic Republic of Ethiopia, on the other hand, establishes the judiciary as an independent branch of government at both the federal and regional (state) level. As such, it acts as a countervailing power to the executive and legislative branches of governments.

USAID financed the first ever judicial training program (1997-98) for judges throughout the country, right after the re-organization of the judiciary and the establishment of the GFDRE. This had a major impact on the performance of the courts. USAID financed a major workshop on international humanitarian law designed to share experience and provide a common background for genocide trials of Derg officials. USAID supported a “crash” program by the Federal Courts that reduced the backlog of undecided cases by one third. USAID financed a countrywide needs assessment evaluation which serves as the key background document for the judicial training program proposed for the ISP.

SUMMARY

The Conflict Vulnerability assessment has treated six areas that are sources of instability. USAID/Ethiopia’s SO teams and senior management will closely monitor these threats and our response to them. In most instances, preventative action is already planned and underway. In other instances, current resource levels have limited our ability to respond and may foreclose opportunities to take the appropriate steps to strength harmonizing forces.

ENVIRONMENTAL ANALYSES

(This is a revised Environmental Analysis, per Washington Review of the ISP)

FAA 118/119 REQUIREMENTS: ANALYSIS OF TROPICAL FOREST AND BIOLOGICAL DIVERSITY (TFBD) CONSERVATION

A. Summary.

The following bullets summarize the results of the Mission's analysis of the broad actions necessary in Ethiopia to conserve biological diversity and achieve conservation and sustainable management of tropical forests, and the extent to which the actions proposed for support by the Agency meet the needs thus identified. The text amplifies these points and the progression for arriving at the conclusions.

- Tropical Forest-Biological Diversity (TFBD) conservation constraints are great, as a result of intense pressure from high-density rural populations farming on highly fragile and degraded land. The problems are exacerbated by a weak regulatory and monitoring capacity and household food insecurity due to recurrent drought and the lack of alternative employment.
- Economic growth, watershed management, and stronger community commitment to conservation can reduce or stop encroachment and further destruction of the TFBD.
- Integrated Resources Management (IRM), particularly in the context of watershed management, offers the best hope for long-term economic growth and increased household food security.
- Sustainable management of Ethiopian water resources must include attention to all sectors within the catchment area.
- As not all sectors within the catchment area are currently being sustainably managed and the rate of degradation is increasing, USAID has determined this be a high priority TFBD intervention.
- As the numbers of sustainably managed catchments increase, downstream watershed management will become increasingly important.
- USAID will initially focus on research activities to develop integrated sustainable watershed management techniques that can be replicated in Amhara, and eventually, in other regions.

This analysis combines FAA 118 and 119 requirements into one. A summary of all illustrative activities of the USAID/Ethiopia FY 2001-2006 Integrated Strategic Plan (ISP) showing anticipated Initial Environment Examination (IEE) determinations and indication of their possible impacts on TFBD conservation is provided on pages 11-15.

B. Background.

Natural forests once covered over 40 million hectares (ha) of Ethiopia's total land area of 120 million ha. Best estimates indicate that in 1989 natural forests had been reduced to 2.7 million ha. The annual loss of natural forest cover has been estimated to be 150,000 to 200,000 ha. In recent years deforestation was particularly severe due to clearing for agriculture, grazing, illegal cutting for timber, fuelwood gathering and a breakdown in forest management as a result of the civil war. It has been projected that, if the present rate of deforestation continues, the area covered by natural forests in 2010 will be reduced to scattered minor stands of heavily disturbed forests in remote parts of the country.

This severe reduction in forest cover impacts on other sectors in Ethiopia, as follows:

Agriculture. The impact of deforestation on agricultural production appears to be substantial. This is despite the fact that not all losses in agricultural production due to land degradation and soil erosion can be attributed to the diminishing forest cover. Earlier studies, such as the Ethiopian Highlands Reclamation Study of 1985, may have overestimated the production losses due to land degradation, but more recent studies confirm the seriousness of the situation. According to a 1991 report of the National Conservation Strategy Secretariat the combined impact from soil erosion and the burning of dung and crop residues on agricultural yields resulted in foregone cereal production of about 100,000 tons in 1990. This is equivalent to one fifth of an average year's grain harvest and would have been sufficient to feed over 4 million people. To the average farmer, the grain lost represented about 12 percent of his/her annual income. Production losses will increase as more cropland reaches the critical minimum soil depth at which productivity drops dramatically and production is no longer viable.

Water Resources. Water resources in Ethiopia are seriously affected by sedimentation and siltation. Deforestation together with poor agricultural practices and soil erosion increase surface run-off and reduce the amount of rainfall that infiltrates the soil and eventually percolates into groundwater aquifers. Lower levels of infiltration and water storage in soils affect the availability of water for human use throughout the year. Increased surface run-off leads to higher peak flows in stream and rivers causing greater flood damage. Where soils are better at retaining moisture, spring and river flows are extended and evened out. This is important for irrigation development. Soil erosion also leads to reduced life of storage dams due to siltation and may change the conditions for transport and hydropower production. Siltation, water infiltration and flow are not only important to the individual farms and cities in Ethiopia, but have considerable impact on the entire Nile basin.

Biodiversity. Deforestation and the associated land degradation threaten the ecosystem for flora and fauna and thus the conservation of genetic resources. Ethiopia is an important regional center for biological diversity. A loss in biodiversity ultimately implies economic losses to Ethiopia and the world. In addition, the removal of vegetative cover reduces the amount of carbon that can be sequestered from the atmosphere. As the growth stock of Ethiopia's forestry resource base is depleted, its value as a 'carbon sink' is reduced.

Forestry. The Forest Action Plan estimated that in 1992 Ethiopia's forestry resources were capable of producing an incremental yield of 14.5 million steress (cubic meter solid over bark), with wood products amounting to 13.8 million steress (fuelwood 12.5 million steress) and fodder of 0.7 million steress. Actual harvests are determined by the demand for wood and woody biomass products, which comprise industrial wood, construction wood (poles and fence posts) and fuelwood. Based on assumed per capita consumption requirements, total requirements for wood in 1992 have been estimated to be 47.5 million steress with the requirements for fuelwood being 45 million steress. This amounts to a fuelwood deficit of 32.5 million steress. This deficit is a main cause of the 'mining' of Ethiopia's forest resource base, i.e. the volume of wood harvested in a given period exceeds the sustainable rate (incremental yield). This leads to a reduction in the woody biomass growth stock and future incremental yields. Also, due to the lack of fuelwood, households increasingly use dung and agricultural residues for cooking and/or preparing fewer cooked meals. Although the relative importance of these two adjustments -- mining of the forest resources and changes in

household fuel consumption patterns -- is difficult to quantify, it is certain that they directly or indirectly result in a deepening and widening of the incidence of poverty. High population growth aggravates the imbalance between demand and incremental yield by further increasing the demand for wood products. Additional adjustments in wood consumption become necessary implying further reduction in welfare, particularly among the rural population.

C. Description of the landscape.

Ethiopian vegetation is found in the following main phytogeographical areas:

- Afromontane vegetation dominates the mountain massifs either side of the Rift Valley;
- Sudanian influences are apparent in the western lowlands;
- Somali-Masai formations of eastern Africa occupy southern, southeastern, northeastern and Rift Valley lowlands;
- Sahelian influence exists in a small area in northern Eritrea.

Within these four areas, nine distinct major vegetation zones can be identified as:

Montane Formations:

Grassland and Ericaceous Bushland	Afromontane
Montane Evergreen forest (mainly dry evergreen <i>Juniperus</i> , <i>Olea</i> , <i>Podocarpus</i> forest, but also including mixed evergreen and moist evergreen forest)	Afromontane

Lowland Formations:

Moist Lowland Forest	Sudanian
Combreraceous and other woodlands	Sudanian
Evergreen and Semi-evergreen bushland	Somali-Masai
Acacia-Commiphora Bushland and Thickets	Somali-Masai
Acacia Wooded Grassland and Deciduous Bushland	Sahelian
Semi-desert Grassland and Dwarf Shrubland	Sahelian
Stony Desert Vegetation	Somali-Masai

In the phytogeographical areas defined above, Afromontane flora overall are around 75 percent endemic, although many species occur on several widely dispersed mountains. For example, the trees *Juniperus procera* and *Hagenia abyssinica* occur in eastern Africa from Eritrea to northern Malawi. However, the long separation of these montane islands has led to a substantial number of endemic species on each. Most endemic vertebrates are highland species, comprising (at least) 28 mammals, 28 birds, 34 amphibians, and 6 reptiles. Future study will certainly increase these totals for most groups. Invertebrate fauna have not been studied substantially. However, limited knowledge from other African mountains indicates that endemism is likely to be high. Four additional centers of endemism in the highlands of Ethiopia can be identified. They comprise:

- the south-western center, which is characterized by endemics of montane rainforest and evergreen bushland such as *Afromomwn korarima* and *Cirsium dander*;
- the central plateau center, which contains deciduous woodland and montane grassland endemics;

- the eastern escarpment and southeast slope center, which has species such as *Spinduma oxycantha* in dry evergreen forests and bushlands; and
- the high mountains center, which contains endemics of ericaceous bushland and Afroalpine grasslands such as *Jasimum stans* and *Rosularia semiensis*.

The Somali-Masai and Sudanian areas contain flora and fauna that are likely to contain fewer country-specific endemics than the Afromontane. Whereas the Afromontane contains approximately half of the endemic species, the Somali-Masai and Sudanian elements contain one third. The largely Somali elements of the Somali-Masai region, which contains many endemics of restricted distribution, are shared by Ethiopia, Djibouti, and Somalia. For example, 48 species of *Commiphora* are reported to be endemic to the Horn of Africa, but only 4 of these occur in Ethiopia. Several species of ungulates and reptiles are also only known from the Ogaden and neighboring regions of Somalia. The Sudanian area with combretaceous and other woodland of western Ethiopian lowlands contain few endemic species to Ethiopia. However, these are regions virtually unexplored botanically.

In terms of agricultural resources, Ethiopia's biodiversity is one of the most important on the African mainland. Although a few other African countries have more species and a higher rate of endemism, none has greater genetic diversity of widely grown crop species. Important regions for endemic species are the highlands with the Afroalpine and forest areas, the Acacia-Commiphora bushlands of the southeast, and the forests of the southwest. However, the continuing reduction in forest area and land degradation threatens the biodiversity and severely limits conservation efforts.

It should be noted that currently only basic information for the vegetation zones is available. Information on many details, such as species composition and ecological processes, is lacking. Nevertheless, the use of these vegetation zones makes it possible to identify important regions and representative ecosystems in need of conservation.

Genetic Diversity. Ethiopia is one of the most important countries in Africa with respect to endemism of wild native plant and animal species. It is estimated that 10 percent of Ethiopia's 5,770 species are endemic. The country has some 22 endemic mammals (8.5 percent of the total), 27 endemic species of birds (3.2 percent), 3 endemic species of reptiles (3.9 percent), 17 endemic species of amphibians (31.5 percent), and 3 endemic species of fish (4.0 percent). Of the flora some 1,150 species (approximately 20 percent) are endemic, although much research through collection and identification still needs to be done. The country also hosts a number of populations of non-endemic species, which are important breeding groups for the total world, or African population. Migrant birds use Ethiopia as an important resting and/or breeding place during parts of the year.

The Ethiopian highlands are one of the six cradles of primary plant domestication in the world. Of the sixteen major crops domesticated in the country, coffee, okras, and castor beans were uniquely domesticated in Ethiopia. There are at least 197 species of crops with important gene pools in Ethiopia. Crop types include grains, pulses, oil seeds, vegetables, tubers, fruits, spices, stimulants, fibers, dyes and medicinal plants. In addition, at least 25 plant families grow wild in Ethiopia, which are close relatives of crops. Such gene pools are of immense potential value in developing new crops or new varieties of existing crops. Ethiopia is also an important center of genetic diversity of forage species. Forty-six legume species, most of which are found in the highlands, are endemic. Of the 40 African species of *Trifolium*, 28 occur in Ethiopia, of which nine are endemic. With regard to

native tree species, there are 14 species of potentially useful multipurpose trees and shrubs, 17 species for timber processing, and eight species of potentially high value hardwoods.

Biodiversity Conservation

Conservation of biodiversity includes conservation of ecosystems, that is the maintenance of more or less intact indigenous ecosystems, and the conservation of genetic resources, which comprises both *in situ* and *ex situ* conservation of species and genetic variation within species. Biodiversity conservation by government bodies has a shorter history in Ethiopia than in many other countries in eastern Africa. As in neighboring countries, the emphasis has been on conservation of 'wildlife,' meaning large fauna large mammalian herbivores, ostriches, crocodiles, and their predators) and, to a lesser extent, birds. It is probable that rural communities had (and to some extent still have) traditional resource management practices, including some elements of biodiversity conservation. However there is little systematic documentation of such practices.

Until recently, the responsibility for conservation efforts in the Ethiopian government was almost entirely with the Ministry of Agriculture, Environmental Protection and Development (MoAEPD), particularly in the Natural Resources Conservation and Development Main Department (NRCD-MD). The four departments primarily concerned are the Ethiopian Wildlife Conservation Organization (EWCO), the State Forests Conservation and Development Department (SFCDD), the Community Forestry, and Soil Conservation and Development Department (CFSCDD). Additional responsibility lies with the Plant Genetic Resources Center (PGRC) of Ethiopia, which has a certain degree of autonomy, but is also within the NRCD-MD.

Ecosystem Conservation. Currently EWCO, SFCDD, and CFSCDD have responsibilities in the area of ecosystem conservation. EWCO's responsibilities with respect to ecosystem conservation include:

- conservation of representative ecosystems;
- conservation of endangered and endemic wildlife and habitats;
- management of wildlife conservation areas;
- research on Ethiopian wildlife;
- management planning for protected areas;
- integration of wildlife conservation with other forms of land use;
- management of economic returns from wildlife; and
- environmental education programs.

The major activity of EWCO is management of conservation areas. These areas were designated primarily on the basis of the distribution and abundance of larger wildlife species. Currently they include ten national parks, four wildlife sanctuaries, eleven wildlife reserves, and eighteen controlled hunting areas.

- The national parks are areas from which vested human interests are excluded and conserved for protection of wildlife and objects of scientific interest.
- The wildlife sanctuaries are established for special protection of a species or habitat that is endangered or threatened.
- The wildlife reserves and controlled hunting areas are commonly located around national parks and sanctuaries. They serve as buffer zones, which balance the continuing needs of larger wild

animals with human pursuits. Regulated consumptive wildlife use (in effect, sports hunting) is allowed in controlled hunting areas.

Two additional categories, strict nature reserve and wetland reserve, are available, but have not yet been used by EWCO. Administrative staff is allocated only to national parks and sanctuaries, which cover approximately 32,000 sq. km. and comprise 2.7 percent of the country. Two national parks (Awash and Simien) are gazetted; all other conservation areas await legal definition. Bale and Simien National Park Management Plans have been written, but have not yet been implemented. Recently, some national parks have made efforts to establish a more collaborative relationship with local people. Meetings have been held with local community leaders to discuss issues, including the destruction of National Park property, woodcutting and grazing in the park, and possible benefits that local people might gain from the presence of the park.

The second department with responsibilities in ecosystem conservation is SFCDD. Its main task is the management of National Forest Protection Areas (NFPAs), which include the most important forest areas of Ethiopia. SFCDD has designated 57 NFPAs for forest production, protection, and biological conservation purposes. This category covers 4.8 million ha of Ethiopia, of which 2.8 million ha are estimated to be forests.

The third department concerned with ecosystem conservation is CFSCDD. Its primary responsibility is for soil and water conservation. However, hillside closure promoted by CFSCDD to allow natural vegetation regeneration has potential for restoration of ecosystems. Forestry and land conservation extension activities, which encourage the use of indigenous tree species, also play a role in the conservation of genetic resources. However, present conservation efforts promote exotic species much more vigorously than indigenous species.

Genetic Conservation. There is no administrative body charged with overall responsibility for conservation of Ethiopia's exceptional genetic diversity. The main institutions for the conservation of genetic resources in Ethiopia are the Plant Genetic Resource Center (PGRC) and the International Livestock Center for Africa (ILCA).

Established in 1976, PGRC has collaborative ties with a large number of international bodies. its primary task is the *ex situ* conservation of important crops indigenous to or widely grown in Ethiopia. PGRC is also involved in limited *in situ* conservation of crops and in *ex situ* conservation of non-crop species of potential economic importance. Holdings comprise about 48,000 specimens of 98 species. Almost three-quarters of these are of cereals, 11 percent each of oilseeds and legumes, 2 percent each of spices and coffee, and less than 1 percent medicinals. Collecting expeditions systematically cover agro-ecological zones and crop types. Seed variability and viability is maintained through regeneration of material at ecologically appropriate locations. Germplasm is evaluated with respect to genetic characteristics of potential adaptive significance for Ethiopian conditions. Thus, traits resistant to drought, pests and disease, and those adapted to low-input farming conditions are sought. PCRGC is a strong advocate of on-farm conservation of crop landraces and of farmers carrying out genetic selection experiments to meet their own needs.

ILCA also maintains a gene bank in its headquarters in Addis Ababa. ILCA's ultimate objective is to develop improved forage grasses and legumes for Africa. Collecting missions in Ethiopia have covered 39 genera of legumes and grasses. Germplasm multiplication and evaluation is carried out in a range of environments in Ethiopia. Promising results have been obtained for a variety of species in different environments, although the work remains experimental. Future collection priorities

include ecotypes with high yield, good nitrogen-fixing capacity (in legumes), and vigorous growth in low rainfall areas.

The United Nations Sudano-Sahelian Office (UNSO) supports a five-year National Seed Procurement and Tree Improvement Programme. One of its aims is to identify, protect, and conserve existing, well-adapted tree seed sources of high priority indigenous and exotic species. This is to be achieved by *in situ* or *ex situ* conservation of seed sources of indigenous priority species currently threatened with genetic erosion or extinction. The program intends to strengthen the national seed center at the Forestry Research Centre (FRC) and to establish additional regional seed centres.

The Current Situation

Ethiopia remains one of the most densely populated countries in Africa and has one of the highest population growth rates. Close to 85% of the population is engaged in subsistence agriculture and/or livestock activities. Large sections of the country are chronically food deficit due to recurring drought, possible climate change and rampant land degradation. In many parts of the country, the average farm size can no longer provide enough food for a growing family. Plots cannot be further divided, acquisition of new land is not an option (as land tenure is an issue) and technologies suitable for marginal land are unavailable or too costly for many subsistence farmers. This situation is forcing adult children to seek their fortunes elsewhere. Migrations to state farms, cities and towns or uncultivated land are the only alternatives. Thus, population density, inefficient and inappropriate use of the natural resource base and slow economic growth are seemingly overwhelming problems impacting on the conservation of Ethiopia's tropical forests and biological diversity.

The Government's National Food Security Policy, recognizing this dilemma, advocates support for increasing off-farm activities, wage employment and improved land use and production technologies. The former two could be spurred by significant external investment in developing Ethiopia's most abundant resource, water (electrical power and irrigation), but this must await developments of the Nile Basin Initiative. The latter and other modest forms of economic growth activities are the thrust of many donors, including USAID/ Ethiopia's RHPP SO. The basic approach used by most donors, NGOs and the government for solving food insecurity problems, however, remains focused on maximizing agricultural production wherever possible or food/wages for work activities aimed at degradation rehabilitation. By not having an equal focus on economic growth and sustainable alternative income generation that could stop expansion, tropical forests and biological diversity will continue to be lost.

There is much documentation that recounts alarming rates of depletion and destruction of natural resources and biological diversity, and predicts more serious consequences. To remedy the situation, most call for policy reform, operational budgetary support for government agencies and large contributions for conservation and rehabilitation activities. **Though much money has been, and continues to be allocated to this sector over the years, improvements are not clearly evident as a result of this top down approach.**

Building on a Solution

A recent assessment of watershed management proposals commissioned by USAID/Ethiopia, earlier this year in preparation for its RHPP SOAG, pointed to two essential elements for successful conservation and rehabilitation activities that did not appear (bottom up approach to development and conservation and a truly integrated WSM). It stated that:

“...the Amhara Regional Bureau of Agriculture’s ANRS/BoA) Watershed Management Planning Team (WMPT) is to be commended for assembling a multi-disciplinary team and making a sincere and serious effort to diagnose the problems and opportunities and suggest solutions. They have done so without a great deal of training in the watershed management and, not surprisingly, they could have benefited from more guidance and technical assistance.”

However,

“Two important concepts must come together for successful integrated watershed management which involves densely populated and degraded areas such as those in the food insecure *woredas* of the Amhara Region. The present Project Proposals are mainly cast in terms of "interventions"-- doing something affirmative and action-oriented to respond to the readily perceived signs of degradation. One cannot emphasize enough the reality that "degradation is the result of **inappropriate land-use and that there is a need to manage the use and not just treat the land affected**" (Catterson et al, 1994). Although the ANRS/BoA WMPT certainly understands this foundation principle, a number of their proposed interventions need to be reconsidered in its light. The Lenche Dima site [one of four water sheds that the RHPP SO will establish a comprehensive land use management working research station] provides two examples. Deep and spreading gullies forming across the plain areas of the watershed are eating into this most productive area. The proposed solution (albeit presumably but not specifically combined with other activities) is to construct gabion structures as retaining walls to prevent further loss of valuable cropland. Until and unless the torrential nature of these watercourses is resolved--by dealing with the issues on the surrounding slope areas where water originates and gains velocity--such "river training" will be ineffective. In fact, it is probably likely to lead to further [and more extensive] damage. The rushing water will quickly undermine the gabions that will then fall into the watercourse, diverting the water and causing it to change course, eating away other valuable croplands. Similarly, the proposed 50% closure areas for each of the *Gotes* [smallest administrative unit] within the watershed will only intensify the over-grazing on the remaining lands and exacerbate the problem.”

“The solution, in both cases, must come through creating and motivating self-reliance and community institutions to broker the unavoidable production trade-offs that are so often the first real step towards resolving land-use issues. An organized and empowered community, able to take collective decisions and hold their peers accountable for compliance, is the key element and one that "overshadows physical interventions and will outlast them" (Catterson et al, 1994).”

Another recent USAID study on NGO water and sanitation activities pointed out the critical relationship of **integrated** watershed management to small-scale irrigation and potable water development, and the need for community decision-making for insuring sustainability.

Three other recent USAID assessments (research, extension and micro enterprise/financial services development) unmistakably show the need for alternative income generation to supplement or replace on-farm activities.

The Agency commissioned draft report *The Basin – Environmental Transboundary Opportunities and Constraints Analysis*¹ sums up the difficulty in dealing with environmental degradation by saying:

“ Without economic growth, population increases will exacerbate existing problems of poverty and food insecurity, underlying causes of watershed degradation, water pollution, and loss of biodiversity. Improved land and water management are essential for improving food security and alleviating poverty in the Basin. Conversely, alleviating poverty and improving food security are requisites for achieving sustainable development of land and water resources

Finally, the most compelling argument for a balanced development program comes from the Agriculture, Environment, Private Sector and BHR 2000 Conference where a major research paper was presented and discussed, which demonstrated that agricultural development can be successful, if development resources are focused on the most successful 1\3 of that population. In Ethiopia, it is implied that the other 2/3s (32 million) must leave their land and/or do something else. In the context of TFBD, income-generating activities must be developed to preclude the possibilities of their increasing herd sizes or illegally exploiting forests and fauna.

C. Mission analysis of actions necessary to conserve biological diversity and achieve conservation and sustainable management of Ethiopia's tropical forests.

Based on all the above discussion, the Mission has determined that the following actions are required for the conservation of TFBD.

- Effective Management of National Parks, Forests and Reserves (GTZ is providing training and developing community relationships).
- Institutional and technical capacity development for conservation agencies, research departments and local NGO/PVOs in the areas of land use planning, integrated resources management and conflict resolution (the World Bank and Canadian International Development Agency are expected to carry some of these activities).
- The enactment of policies conducive to individual and common stewardship of natural resource (NR)/TFBD (land tenure, USAID);
- Promotion of environmental awareness and building community based resource management (USAID,GTZ).
- Increased access to family planning program services in rural areas (USAID).
- Promotion of non-farm, environmentally sustainable income generation activities (USAID and other donors will/are working in this area).

¹ Dated October 2000, Task Order No. 27, Contract No. PCE-I-00-96-00020-00

Successful implementation of the Nile Basin Initiative, and continued Mission attention to this Initiative, would greatly accelerate the economic and agricultural growth deemed necessary for TFBD management and conservation.

Due to the conflict in 1998-1999, most donor activity stopped or their scope and funding levels drastically reduced. GTZ was the exception. While resumption of activities is expected, not all donors have defined what they will be doing in this area. Much depends on finalization of the World Bank's Food Security SAP, which is expected to cover many of the activities identified in this section.

D. Actions proposed by the Mission to support the identified needs.

Due to resource constraints, USAID's main focus will be on research activities to develop sustainable watershed management techniques that can be replicated in the ANRS and other regions, thus contributing to TFBD management and conservation, and, Nile Basin Initiative goals and objectives. Elements that will support and enhance this comprehensive activity include:

- Institutional capacity development in the areas of land use management and integrated resources management based on community-based national resource management (CBNRM) principles will be addressed in the RHPP SO.
- Resolution of land tenure issues has been delegated to the regions. The RHPP SO's watershed management field research will work with the ANRS to test forms of individual, common and state 'ownership' and their effects on long-term sustainability, which can lead to further policy dialog in the future. The same holds true for organized voluntary resettlement activities to reduce pressures on degraded areas;
- Environmental awareness programs, already funded under Title II activities and the DG SO's PACT NGO training activities, will also be integrated into the Education SO's BESO II activity, the Southern Tier SpO and the RHPP SO. Training modules are being prepared for widespread dissemination of these concepts;
- In conjunction with the above point, Title II partners will use environmental awareness programs and guidelines prepared by USAID when developing potable water delivery systems at the village level.
- RHPP will expand the agricultural extension/home service to include messages on family planning and HIV/AIDS.
- RHPP will complement other donor activities to increase alternative income generation.

The Mission will stay apace with NBI developments and assist the GFDRE when it can.

GENDER ANALYSIS

1.1 INTRODUCTION

Gender is something more than a project, or even a cross cutting theme. Gender issues are fully integrated into the strategic objectives and activities of the Mission. Gender issues and concerns are addressed in detail in the Strategic Objective descriptions in Sections 3-8, including the focus on maternal health challenges, basic education for girls, the focus on *households* instead of *farmers* to be inclusive of women, vulnerability profiling, and women's rights.

To more fully identify appropriate responses and assess gender differentiated impact, results will be disaggregated by gender where appropriate or possible. The Mission has requested an IWID fellow to begin in CY 2001, to strengthen coordination among the SOs.

The Challenge for Ethiopian Women

Comparative statistics on the relative impact of development on Ethiopian men and women are relatively rare and somewhat dated. As in most countries, Ethiopian women live longer than men do by about seven years, but they have, on average, 57% fewer years of schooling. Female primary and secondary school enrollments lag those of males by about 25%, while female enrollment in higher education is less than a quarter of the male enrollment. Generally speaking, Ethiopian women trail those in all developing countries on these indicators.¹ Illiteracy rates for Ethiopian women hover at just over 70% for women nationally and reach as high as 94% for women in the Afar region². It is estimated that rural women work between fifteen and eighteen hours a day, placing severe constraints on their ability to access training or skill enhancement opportunities.³

1.2 USAID RESPONSE FOR THE SPECIAL NEEDS OF WOMEN

Traditionally, USAID/Ethiopia has stressed gender equality in its basic education program. This emphasis has taken the form of affirmative action programs to increase female enrollments in teacher training institutes and colleges and to provide a supportive environment for women enrolled in these schools. As a result, between 1995 and 1999, female enrollment and retention in teacher training programs grew 10% in the USAID-focus regions of Tigray and the Southern Nations, Nationalities and Peoples (SNNPR), reaching 40% and 95% respectively. The number of active female teachers increased from 26% in 1994 to 28% in 1999 in the Mission's focus regions for education. The Mission's education program also provides small grants to communities which agree to initiate activities designed to enroll more girls and keep them in school longer. As a result, the female dropout rate among 60% of participating community schools in Tigray and 54% in SNNPR is below the national average.

¹ UNDP, Human Development Report (New York: Oxford University Press, 1993), p. 153.

² Ethiopian Central Statistical Authority, 1994

³ World Bank, Implementing the Ethiopian National Policy for Women, p.6

USAID/Ethiopia will continue to emphasize gender equality in its education and capacity building activities, but give increased attention to other aspects of women's social, economic and political empowerment. For example, agricultural research, under Rural Household Production and Productivity, will look for labor saving technologies that can reduce the burden women carry and the home extension service system will be encouraged to transfer these technologies directly to women. Additionally, women will be provided with business skills training and micro-enterprise opportunities for women will be expanded. In order to facilitate these activities rural credit and savings institutions will be supported to directly provide services to women. Ethiopian women face particular problems with regard to nutrition. In response, the Mission has incorporated IR 4.1 to address specific protein energy and micro-nutrient deficiencies (e.g., vitamin A and iron) among pregnant and lactating women and children. And, under the Democracy and Governance program, the role of courts in the enforcement of human rights, a new area for the Mission's program, will give specific attention to issues of law which impact on the lives of Ethiopian women. The objectives tree on the following page highlights those aspects of the Mission's portfolio that contribute to balancing the gender impacts of development. Additional detail is provided in the results frameworks for each objective.

1.3 THE SO FOCUS ON WOMEN

1.3.1 Essential Services in Health for Ethiopia

USAID/Ethiopia will continue to emphasize gender equity in its health program. Ethiopian women face particular problems with regard to nutrition. In response, the SO has incorporated IR 1 to address specific protein energy and micro-nutrient deficiencies (e.g., vitamin A and iron) among pregnant and lactating women and children. In the area of reproductive health the focus will be on providing women-friendly services which will include improving the quality of services, post-abortion care, antenatal care and safe delivery all of which have a direct impact on the lives of women. This component will also put emphasis on adolescent's health and encouraging men as partners. In the area of reproductive rights, HPN SO will work with DG specifically in changing the legal age at marriage. HPN SO will also encourage women's participation in training opportunities and will strive towards a 30% participation rate. Furthermore, in order to assess the impact of HPN SO on gender, data will be disaggregated by gender when deemed important.

1.3.2 Basic Education

Ethiopia is among the many African countries where there is a significant difference (30.3% in grades 1-4 in 1998/99) between the number of girls and boys enrolled in school. In the 1994 Education and Training Policy, the GFDRE recognized equity as one of the complex problems troubling the education system and in collaboration with USAID and other partners began to address it. In BESO-I gender was thus a crosscutting issue and important achievements have accrued. As part of BESO-I implementation, USAID funded a study, *Improving Retention with a Special Focus on Girls*. Key findings that informed BESO-II design include:

- Obstacles to girls' persistence include: lack of family support, long distance to school, absence of role models, low quality of teachers, inadequate school support to girls, shortage of resources; and a threatening and non-conducive school environment.

- Major interventions that are addressing these obstacles include: local governments creating awareness among the community and teachers on girls education; campaigns against harmful traditions (e.g. marriage abduction); tutorial classes for girl students; financial help for girls from poor families; and special counseling for older girls.

The BESO-II design incorporates the BESO-I experience and these findings. The new strategy continues to emphasize gender as a crosscutting issue, but on a stronger basis than before. Gender topics will be included in both pre- and in-service teacher training courses. The in-service teacher-training program will include the topic of gender and techniques, such as cooperative learning, which are particularly supportive of girls' preferred ways of learning. All TTIs and TTCs in Ethiopia currently have quotas that insure admission of female students under less stringent standards than males. USAID and its implementing partners will encourage institutions to maintain and further expand these affirmative action programs. Models for supporting teacher trainees through tutoring, mentoring and counseling developed under BESO-I will be offered to all twenty teacher-training institutions. A training course in counseling skills and establishing tutoring programs will be the vehicle for expansion of this program.

USAID is already working to increase the number of women teachers using FY2000 funding from President Clinton's Education for Development and Democracy Initiative (EDDI). Using prior year EDDI funds, USAID is already financing a modest secondary school scholarship program for girls implemented through the Forum for African Women in Education, or FAWE. The assumption is that if more girls finish secondary school, more will become teachers and thus role models girl students. Using FY 2000 EDDI funds, USAID will continue this scholarship program through at least 2003 and will initiate counseling and mentoring programs as well as co-curricular activities designed to keep girls in school so that they graduate. With EDDI funds, USAID will contribute to the private Ethiopian institution Unity College's program to provide up to 10,000 disadvantaged girls' diploma-level training. Finally, USAID allocating EDDI funds for an International/Women in Development (WID) Fellow to assure that these and other initiatives are actively pursued.

These EDDI-funded activities will contribute significantly to the BESO-II strategy of increasing women teachers, and thus providing more role models for girls in primary school – one of the key factors related to girls' retention. Additionally, using other BESO-II implementing mechanisms, USAID will continue to support development of supplementary reading materials, focusing on topics of social relevance in Ethiopia and of particular importance to girls, such as HIV/AIDS and building a "culture of peace." USAID will also continue to work with PVOs/NGOs to provide support to communities to improve girls' enrollment, persistence and achievement. School committees will learn how to conduct enrollment campaigns, how to consult with parents whose girls (and boys) are absent from school, and how to make schoolyards supportive of girls by adding latrines and fences. MEDAC comments on USAID/Ethiopia's strategic plan suggest that awareness activities include not only the topic of early marriage, but also the topics of female circumcision and abduction.

1.3.3 Rural Household Production and Productivity

Women in rural households have substantial responsibilities in both agricultural production and household reproduction activities (including both household maintenance and child rearing). However, in the cultural context of Ethiopia women are not considered to be "farmers." As a result agricultural research and extension have traditionally focussed on, and been dominated by men. The widespread lack of understanding of the dual nature of women's responsibilities, coupled with low

level of technology available to them, have created unmanageable labor burdens for women in the rural areas. The RPP SO seeks to mitigate this large labor burden – thus increasing household productivity -- by supporting research and development and dissemination of appropriate approaches and technologies that will ameliorate some of these burdens. Research and dissemination of information on better storage and post-harvest techniques (agricultural areas traditionally assigned to women) is also expected to reduce food loss and make more food available at a household level. The RPP SO will also expand the provision and focus of extension services on women's issues, increase the number of trained women professionals involved in agriculture and food security, and expand economic opportunities for women from micro-enterprise development.

1.3.4 Democracy and Governance

Under both IR1 and IR2 there will be an emphasis on supporting groups engaged in advocacy for and enforcement of women's rights, including issues related to FGM. Priority will be given to those groups that are engaged in gender-related issues of specific importance to USAID's other SO teams. These include access to land and microenterprise credit for the RPP SO; female teacher and student support systems for BESO SO; reproductive health rights and special issues for persons living with AIDS under the HPN SO; and special needs of women IDPs and/or victims of future disasters under the MMED SO. Under IR2 there will be an emphasis on increasing the number of women judges and ensuring that gender-related rights issues are emphasized in judicial training at all levels. Under IR3 there will be an emphasis on the increased participation of women in training under the revised financial systems. Training participation data will be disaggregated by gender and the importance of redressing the gender imbalance will continue to be emphasis in dialogue with relevant government personnel.

1.3.5 Mitigating the Effects of Disaster

Through Title II and WFP development programs, more than one million people are benefiting from various food for work programs focusing on natural resource base maintained.

Women constitute about one-third of the beneficiaries of the current food for work programs supported by USAID and Title II, and they are expected to continue this high degree of representation in the planning period. They also benefit from the activities implemented under the FFW programs such as construction of water points, road etc. which reduces the time spent in fetching water and improves access to markets. Title II supported supplementary feeding and family planning programs target pregnant and lactating mothers in improving their nutritional status and women in general giving them the opportunity to plan their families.

As part of many USAID-supported mitigation programs, disadvantaged women are also beneficiaries of credit and saving schemes that promote saving habits and enable women to engage in income generation activities to supplement the family's income. Skills training activities such as pottery, vegetable gardening, bee keeping, poultry and weaving also focus on women enhancing their ability to generate income.

In the ISP planning period, the MMED SO support increased emphasis on involving women in the decision making process with respect to targeting of food aid and maintenance committees in Title II development interventions. While this number needs to be increased, it is also important to increase

women's participation in the planning of projects and benefit from assets created. Both programs are striving to increase participation and direct benefits to women.

In almost all emergency situations women and children are the most vulnerable groups of the society that are affected the most. Special emphasis will continue to be given to pregnant and lactating women through the provision of supplementary food to improve their nutritional status and ensure, and the participation of women in targeting and distribution of emergency food aid.

USAID's approach to the burgeoning problem of chronic vulnerability and/or destitution in Ethiopia will also target women. "Destitution" is understood in terms of *people's access to income and assets and how these have eroded in recent years*. A focus on household productive capacity distinguishes "Destitution" from "Poverty" which focuses on consumption (purchasing power and the distribution of income). There is growing unease over the increase in the number of destitute households in Ethiopia. However, little hard information exists on the scale of destitution nor on the processes that contribute to its increase.

According to 1998 figures women constitute 50 –51 % of the Ethiopian population, women's access to income and other assets and thus their contribution toward household productivity has a major impact on the country's level of destitution. Gender issues will therefore need to be addressed in any effort to assist destitute households recover productive capacity and lead sustainable livelihoods. USAID is currently supporting a study on "Destitution" in North Wollo and Wag Hamra Zones of Amhara Region, where increasing destitution appears to be most evident.

Annex 6 to USAID/Ethiopia ISP 2001-2006

<p>Improved Family health</p> <p>IR2: Use of select, high impact reproductive health interventions, including maternal feeding and dietary practices, increased</p> <p>BCC & demonstration Promote adequate feeding during and after illness including HIV positive mothers. Delay first pregnancy & child spacing. Improved dietary habits/nutrition education. Supplementation Vitamin A supp. Iodine supp. Iron & folic acid supp. Food supp. To high risk pregnant women and lactating mothers Fortification Salt fort. Sugar/edible oil fortification Training for professional health workers, including women Family planning with emphasis on adolescent reproductive health ANC/PNC Access/use of safe water & environmental sanitation. Post Abortion Care Male involvement in Reproductive Health IR3: Impact of HIV/AIDS and select infectious diseases in focus areas reduced Access and use of public health facilities by women Access and use of STI/HIV/AIDS services by women. Increased awareness among youth, especially girls Increased awareness among commercial sex workers</p>	<p>BESO-II: Quality and equity in an expanding primary education system enhanced.</p> <p>Sub-IR2.2Curriculum on socially relevant topics. Incorporate gender messages into the curr. of both formal & non-formal system and other supplementary education materials. Incorporate gender issues into the curr. of the TTIs and educational materials for in and pre-service training. Include gender awareness education through female support program in TTI's Training to expand co-curricula activities in the area of gender, nutrition, FLE, environmental sanitation and HIV/AIDS. Support to increase % of women candidates and graduates in TTI's and TTC's. Provision of school leadership training.</p> <p>IR3: Community-government partnerships in education strengthened.</p> <p>Provide gender awareness education to community leaders (TOT), and members, DAs and teachers/school leaders. Expand co-curricula activities (school clubs) in the area of gender, nutrition, FLE, environmental sanitation and HIV/AIDS. Coordinate distribution of vitamin A supplementation to school children with Improved Family Health team. . Ambassadors Girls Education Scholarship Program</p>	<p>Rural Household Production and productivity Improved</p> <p>IR1: Integration of food, livestock and factor markets increased.</p> <p>Women's access to credit and financial services is increased. I R2: Competition in agricultural and output markets increased.</p> <p>Increased access to agricultural inputs for women</p> <p>Women membership/participation in agricultural crops increased</p> <p>IR3:Rural household cash crop and micro-enterprise income</p> <p>Training provided to women on alternative income generation ideas, business planning and technical skills. IR4: Food, agricultural and environmental research systems in target areas strengthened.</p> <p>Research on traditionally women centered agricultural activities and women's access to resources.</p> <p>Identification and adaptation of labor saving technologies. Increased awareness of intra-household labor distribution and intra-household production systems.</p> <p>IR5: Dissemination of food, agriculture and environmental information in target areas improved.</p> <p>Develop and disseminate more information women</p>	<p>Improved livelihoods for pastoralists and agro-pastoralists in southern Ethiopia.</p> <p>IR1: pastoralist and agro-pastoralist incomes increased.</p> <p>Number of micro-enterprise loans (desegregated by gender)</p> <p>IR2: Child survival and maternal health interventions, including nutrition, in focus areas increased</p> <p>Measure of mother's nutritional knowledge through: Percent of infants breast fed Percent of infants 6 months old fed complementary foods Percent of households consuming (vegetables, meat/protein origin food, cereal/grain) in their regular diet</p> <p>IR3: Access to primary education improved.</p> <p>Percent increase of girls attending primary school</p>	<p>More Effective Governance and Civil Society</p> <p>IR2: Judiciary and respect for human rights strengthened</p> <p>Incorporate emphasis on human rights at all levels, with particular emphasis on rights of women and those affected by HIV/AIDS;</p>	<p>Minimize and mitigate effects of disaster</p> <p>IR1: Increased adoption of mitigation measures against natural and man disasters</p> <p>Improved targeting of women at risk. Appropriate supp. Feeding. Essential micronutrient supplementation</p>
--	---	---	--	---	---

Annex 7.1 ISP Parameters Update Cable

N UNCLASSIFIED

PAGE 01 STATE 034254 251851Z
ORIGIN AID-00

INFO LOG-00 AF-00 AGRE-00 UTED-00 TEDE-00 IO-00 SAS-00
/000R

034254

SOURCE: AIDUNC.002534

DRAFTED BY: AID/AFR/EA:JPRYOR:JP: -- 2/1/2000 202-712-5779

APPROVED BY: AID/DAA/AFR:KBROWN AID2534

AID/AFR/EA:JANDERSON (DRAFT) AID/BHR/FFP:WOLIVER (DRAFT)

AID/BHR/OFDA:MMEREDITH (DRAFT) STATE/AF/E:JKNIGHT (INFO)

AID/AFR/DP:PDELP (DRAFT) AID/PPC:JOROURKE (DRAFT)

AID/GC/AFR:MAKLEINJAN (DRAFT) M/B:JRUDASIL (DRAFT)

AID/G/PDSP:LDOBBINS (DRAFT)

AID/AFR/SD:CDEI (INFO)

AID/BHR/FFP:FALEJANDRO (INFO)

-----37D707 251856Z /38

R 251850Z FEB 00
FM SECSTATE WASHDC
TO AMEMBASSY ADDIS ABABA
AMEMBASSY NAIROBI
INFO AMEMBASSY ASMARA

UNCLAS STATE 034254

AIDAC

E.O. 12958: N/A

TAGS:

UNCLASSIFIED

PAGE 02 STATE 034254 251851Z
SUBJECT: USAID/ETHIOPIA'S INTEGRATED STRATEGIC PLAN
(ISP): PROGRAM AND BUDGET PARAMETERS UPDATE

REFS: (A) PARAMETERS ISSUES PAPER NOVEMBER, 1998 (B)
USAID/ETHIOPIA CRISIS RESPONSE PLAN (BORDER CONFLICT)
(C) USAID/ETHIOPIA#S CRISIS RESPONSE PLAN (DROUGHT)
(D) DRAFT PARAMETERS CABLE DATED 11/17/98 (E) SUMMARY
OF INTER-AGENCY ROUNDTABLE DISCUSSION ON ETHIOPIA AND
ERITREA, MAY, 1999 (F)USAID/ETHIOPIA NOTE DATED
12/3/99 RE: STRATEGIC PARAMETERS (G) USAID/ETHIOPIA
NOTE DATED 12/13/99 RE: STRATEGIC OUTLINE

1. SUMMARY: AS A RESULT OF THE ESCALATION OF THE
BORDER CONFLICT BETWEEN ETHIOPIA AND ERITREA LAST
YEAR, USAID DEFERRED ISSUING PARAMETERS FOR ETHIOPIA#S
ISP UNTIL THE SITUATION CLARIFIED ITSELF. HOWEVER,
GIVEN THE CURRENT STALEMATE ON THE BORDER CONFLICT AND
THE FACT THAT THEIR EXISTING STRATEGY WILL EXPIRE THIS
FISCAL YEAR, USAID/ETHIOPIA REQUESTED TO GO FORWARD

WITH DEVELOPING ITS ISP. THEREFORE, AN INTER-AGENCY GROUP CHAIRED BY DAA/AFR, KEITH BROWN, REPRESENTING AFR, BHR, PPC, G, REDSO/RLA, GC/AFR, USAID/ETHIOPIA, AND STATE/AF/E MET ON JANUARY 6, 2000, TO UPDATE THE

PROGRAM AND BUDGET PARAMETERS. THE KEY ISSUES WERE: (1) THE CONTINUED IMPACT OF THE CURRENT ETHIO-ERITREA BORDER CONFLICT AND THE DROUGHT; (2) THE UTILITY OF DEVELOPING A NEW STRATEGY AT THIS TIME; (3) THE CONTINUED NEED FOR CONTINGENCY PLANNING; (4) GEOGRAPHIC FOCUS, REGIONAL VERSUS NATIONAL IMPACT; (5) CONVERGENCE WITH GHAI; (6) ENHANCING LINKAGE WITH KEY

UNCLASSIFIED

PAGE 03 STATE 034254 251851Z
USAID OFFICES; (7) NUMBER OF STRATEGIC OBJECTIVES AND SUBSEQUENT MANAGEMENT UNITS; AND (8) THE LEVEL OF PROGRAM, OE AND HUMAN RESOURCES AVAILABLE.

2. OPENING REMARKS: THE USAID/ETHIOPIA MISSION DIRECTOR STARTED THE MEETING BY OUTLINING THE MISSION'S ASSUMPTIONS FOR DEVELOPING A NEW STRATEGY:

A. GIVEN THAT THE CURRENT ISP EXPIRES IN FY 2000, THERE IS A NEED FOR A STRATEGY, WHICH SETS TARGETS FOR OUR ASSISTANCE.

B. THERE IS A NEED TO RE-EXAMINE/AFFIRM EXISTING OBJECTIVES AND TO LOOK FOR OPPORTUNITIES FOR NATIONAL IMPACT.

C. AS IT IS LIKELY THAT THE STATUS QUO OF #NO PEACE, NO WAR# WILL REMAIN FOR AN EXTENDED TIMEFRAME, STRATEGIC CONTINGENCY PLANNING FOR AT LEAST THREE SCENARIOS IS NEEDED.

D. CURRENT RESOURCE LEVELS FOR THE ETHIOPIA PROGRAM WILL BE MAINTAINED.

E. THE HUMANITARIAN AND DEVELOPMENT COMPONENTS OF THE STRATEGY WILL NEED TO BE CLOSELY LINKED.

F. RESUMPTION OF NON-PROJECT ASSISTANCE (NPA) AS A TOOL IS UNLIKELY.

G. THERE MUST BE MUTUAL AGREEMENT BETWEEN USAID AND
UNCLASSIFIED

PAGE 04 STATE 034254 251851Z
OUR ETHIOPIAN PARTNERS ON OUR STRATEGIC CHOICES.

H. CONSISTENT WITH THE ADMINISTRATOR'S REQUIREMENT FOR GHAI COUNTRIES, THIS WILL BE AN INTEGRATED STRATEGIC PLAN.

STATE/AF/E PROVIDED AN UPDATE ON THE BORDER CONFLICT

AND THE OAU PEACE PROCESS AND AGREED THAT THE MISSION'S ASSUMPTIONS WERE APPROPRIATE. THE USAID ETHIOPIA DESK GAVE AN OVERVIEW OF U.S. POLICY TOWARDS ASSISTANCE TO ETHIOPIA OVER THE PAST EIGHTEEN MONTHS

AND AN UPDATE ON CURRENT POLICY CONCERNS.

3. THE ISP PROCESS IN THE RE-ENGINEERING CONTEXT: AN ISP IS PREPARED JOINTLY BY ALL RELEVANT USAID OFFICES, BOTH FIELD AND WASHINGTON STAFF, AND COMPLEMENTS THE MPP PROCESS WHICH ENGAGES ALL RELEVANT USG AGENCIES. IT PROVIDES A COHERENT, INTEGRATED USAID ASSISTANCE PACKAGE FOR A GIVEN COUNTRY, REFLECTING MUTUALLY AGREED UPON STRATEGIC OBJECTIVES AND PROGRAM OUTCOMES AS WELL AS A PLAN FOR MEASURING RESULTS. THE ISP IS CONSISTENT WITH RE-ENGINEERING SYSTEMS WHICH ARE BASED ON THE CONCEPT OF AGENCY COUNTRY STRATEGIES AND INTEGRATION OF RESOURCES.

4. PROGRAM PARAMETERS:

A. STRATEGIC DIRECTION: ALL PARTICIPANTS AGREED WITH THE MISSION'S APPROACH OF BUILDING IN FLEXIBILITY TO THE STRATEGY TO ALLOW THE PROGRAM TO CONTRACT OR

UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 034254 251851Z
EXPAND BASED ON COUNTRY CIRCUMSTANCES. IN ADDITION, THE ISP SHOULD ARTICULATE THE RATIONALE FOR OUR STRATEGIC CHOICES FOR KEY USG PARTNERS, SUCH AS STATE AND CONGRESS. THE MISSION SHOULD IDENTIFY THE APPROPRIATE SCENARIOS THAT WILL ACT AS THE BASIS FOR STRATEGIC ADJUSTMENT AND PROVIDE THE FLEXIBILITY TO RESPOND ACCORDINGLY. THE MISSION SHOULD ASSUME THAT IF THE STATUS QUO REMAINS IN PLACE AFTER ANOTHER YEAR THAT THIS WILL BE VIEWED AS A DOWNTURN AND WOULD LIKELY RESULT IN A REDUCTION OF RESOURCES AVAILABLE. UNDER A WORST CASE SCENARIO, THE MISSION SHOULD PRIORITIZE ITS STRATEGIC CHOICES AND DISCUSS WHAT WOULD FALL OUT AND WHY. UNDER A BEST CASE SCENARIO, THE MISSION SHOULD DISCUSS PRIORITIES FOR THE LIMITED RESOURCES THAT WOULD BE AVAILABLE FOR AN INCREASED OYB. GIVEN COMPETING PRIORITIES FOR SCARCE DEVELOPMENT RESOURCES, THE MISSION SHOULD INDICATE HOW EXISTING RESOURCES COULD BE STRATEGICALLY PLACED TO SUPPORT POST-CONFLICT PRIORITIES.

B. IMPACT OF THE BORDER CONFLICT: THE ISP SHOULD ASSESS THE IMPACT OF THE CONFLICT ON THE GOVERNMENT'S ABILITY TO BE A GOOD DEVELOPMENT PARTNER AND WHETHER OUR RESOURCES WILL CONTINUE TO BE EFFECTIVE IN THIS ENVIRONMENT. AS PART OF THIS ASSESSMENT, THE MISSION SHOULD DISCUSS THE ADDED IMPACT OF THE DROUGHT ON THE GOVERNMENT'S RESOURCES AND CAPACITY. REDSO/RLA IS ALSO WILLING TO WORK WITH THE MISSION TO ENSURE THAT

ASSISTANCE FOR DEMOBILIZATION IS NOT CONSIDERED TO BE
(PROHIBITED) ASSISTANCE FOR A MILITARY PURPOSE, IN THE

UNCLASSIFIED

PAGE 06 STATE 034254 251851Z
EVENT OF PEACE AND DEMOBILIZATION.

C. HUMANITARIAN ISSUES: EVEN IN YEARS OF COMPARATIVELY GOOD HARVESTS, ETHIOPIA FACES SERIOUS STRUCTURAL FOOD DEFICITS. AS A RESULT, FOOD AID TO ETHIOPIA HAS HISTORICALLY EXCEEDED THE LEVEL OF DEVELOPMENT ASSISTANCE. AS THE MISSION DIRECTOR HIGHLIGHTED UNDER THE ASSUMPTIONS, THERE NEEDS TO BE STRONG LINKAGES BETWEEN THE DEVELOPMENT AND HUMANITARIAN COMPONENTS OF THIS STRATEGY. THE MISSION AND BHR STAFF BOTH IN WASHINGTON AND IN THE ARO AND REDSO IN NAIROBI WILL WORK CLOSELY TOGETHER TO ENSURE FULL INTEGRATION OF RESOURCES AND ISSUES IN THE ISP. OFDA WILL INTEGRATE ITS OWN STRATEGIC PLANNING EFFORTS INTO THE ETHIOPIA ISP. IN ADDITION, THE MISSION SHOULD EXAMINE THE APPROPRIATENESS OF PROVIDING GOVERNMENT TO GOVERNMENT EMERGENCY FOOD ASSISTANCE IN THE FUTURE. IF THE MISSION DETERMINES THAT THIS APPROACH IS STILL APPROPRIATE, IT MUST BE WILLING TO HOLD THE ETHIOPIAN GOVERNMENT ACCOUNTABLE FOR THE MANAGEMENT OF THIS ASSISTANCE. THE MISSION SHOULD ALSO ADVISE BHR/FFP WHETHER IT WOULD LIKE TO PURSUE DELEGATIONS OF AUTHORITY ON TITLE II.

D. CONFLICT VULNERABILITY: IN ADDITION TO ADS CHAPTER 202 GUIDELINES ON STRATEGY DEVELOPMENT, IN ACCORDANCE WITH USAID GENERAL NOTICE OF 6/21/99, THE MISSION IS ASKED TO (1) PREPARE AN APPROPRIATE VULNERABILITY ANALYSIS THAT ADDRESSES THE POTENTIAL FOR CONFLICT, (2) SUMMARIZE THE FINDINGS OF SUCH ANALYSIS IN THE STRATEGY, AND (3) SPECIFICALLY INDICATE WHEN AND HOW

UNCLASSIFIED

PAGE 07 STATE 034254 251851Z
THESE FI

PARTICULAR, THE MISSION SHOULD ASSESS THE IMPACT OF GEOGRAPHICAL CHOICES IN RELATION TO REDUCING, MITIGATING AND/OR MANAGING ETHNIC TENSIONS.

E. GHAI: THE MISSION NEEDS TO ADDRESS CONVERGENCE WITH THE GHAI IN ITS ISP AND DEMONSTRATE HOW ITS STRATEGIC OBJECTIVES ARE CONTRIBUTING TO THE GHAI OBJECTIVES OF INCREASED FOOD SECURITY AND CONFLICT MANAGEMENT. IN ADDITION THE ISP NEEDS TO DEMONSTRATE HOW THE GHAI PRINCIPLES HAVE BEEN IN INCORPORATED INTO APPROACHES TO RESULTS ACHIEVEMENT AT THE STRATEGIC OBJECTIVE LEVEL. THE MISSION IS ENCOURAGED TO RELY ON REDSO/ESA GUIDANCE AND EXPERTISE TO ACHIEVE THE GOALS OF CONVERGENCE AND TO REFER TO CABLE NAIROBI 000824.

F. GENDER: IN ACCORDANCE WITH USAID GENERAL NOTICE OF 9/14/1999 THE STRATEGY SHOULD CLEARLY DEMONSTRATE HOW

GENDER CONCERNS HAVE BEEN INTEGRATED. ADS 202 DEFINES GENDER INTEGRATION AS #A FOCUS ON THE PARTICIPATION OF AND BENEFITS TO EACH GENDER IN DEVELOPMENT PROGRAMS, WHILE PROMOTING WOMEN#S LEADERSHIP OF AND EQUALITY IN PROGRAM AND ORGANIZATIONAL STRUCTURES.#

G. PERFORMANCE MONITORING PLAN: IN ACCORDANCE WITH THE ADS, THE STRATEGIC PLAN SHALL ESTABLISH THE FRAMEWORK FOR SUBSEQUENT MONITORING OF THE PERFORMANCE OF THE PROGRAMS FOR WHICH IT IS RESPONSIBLE. THEREFORE, PROPOSED STRATEGIC PLANS INCLUDE HOW THE ACHIEVEMENT OF EACH STRATEGIC OBJECTIVE WILL BE JUDGED INCLUDING

UNCLASSIFIED

PAGE 08 STATE 034254 251851Z
PROPOSED PERFORMANCE INDICATORS AND TARGETS FOR ACHIEVEMENT. TO THE EXTENT POSSIBLE, PERFORMANCE BASELINE DATA SHOULD BE INCLUDED WITH AN OPERATING UNIT'S STRATEGIC PLAN WHEN IT IS SUBMITTED FOR REVIEW.

IN ADDITION, THE STRATEGIC PLAN MUST INCLUDE PERFORMANCE TARGETS WHICH CONVEY AN UNDERSTANDING OF THE ANTICIPATED MAGNITUDE OF CHANGE VIS A VIS USAID'S INVESTMENT AND THAT OF ITS PARTNERS FOR EACH OBJECTIVE. THE FINAL PERFORMANCE MONITORING PLAN DOES NOT REQUIRE AID/W REVIEW. HOWEVER, IT SHOULD BE COMPLETED AFTER APPROVAL OF THE STRATEGY AND PRIOR TO THE NEXT R4.

H. ENVIRONMENTAL ANALYSIS: MISSION IS REMINDED TO DEMONSTRATE COMPLIANCE OF THE NEW STRATEGY WITH REG. 216 AND TO UNDERTAKE THE ANALYSIS REQUIRED UNDER SECTIONS 118 (TROPICAL FORESTS) AND 119 (BIO-DIVERSITY) OF THE FAA. WE WILL PROVIDE COPIES OF THE RELEVANT LEGISLATION IF IT IS UNAVAILABLE AT POST.

I. BROOKE AMENDMENT: ETHIOPIA BECAME SUBJECT TO 620Q ON JULY 6, 1999 AND BROOKE ON JANUARY 6, 2000. SECTION 6 OF THE HORN OF AFRICA FOOD SECURITY AND RECOVERY ACT PROVIDES NOTWITHSTANDING AUTHORITY TO PERMIT FURNISHING OF A RANGE OF DEVELOPMENT ASSISTANCE (INCLUDING ASSISTANCE THROUGH THE GFDRE) NOTWITHSTANDING THESE SANCTIONS. AS A POLICY MATTER AA/AFR HAS CONCURRED WITH THE USE OF THIS NOTWITHSTANDING AUTHORITY. IT IS EXPECTED THAT MOST, IF NOT ALL, OF THE ETHIOPIA PORTFOLIO WOULD FALL WITHIN THE SCOPE OF THIS EXCEPTION. HOWEVER, SINCE

UNCLASSIFIED

PAGE 09 STATE 034254 251851Z
LEGISLATIVE HISTORY REQUIRES PREPARATION OF A "BROOKE WIND-UP PLAN" UPON A COUNTRY'S BECOMING SUBJECT TO BROOKE, THE MISSION SHOULD REVIEW CURRENT USAID

ASSISTANCE TO ETHIOPIA AND PREPARE A "BROOKE PLAN", IN LIGHT OF BOTH BROOKE AND THE HORN ACT. THE BROOKE PLAN SHOULD ACCOMPANY THE ISP.

J. NUMBER OF STRATEGIC OBJECTIVES AND SUBSEQUENT MANAGEMENT UNITS: THE MISSION'S PRELIMINARY THINKING PROPOSES SIX SOS AND AN SPO. HOWEVER, THE AGENCY IS INCREASINGLY CONCERNED ABOUT A PROLIFERATION OF SOS AND THE NUMBER OF MANAGEMENT UNITS THAT ARE OFTEN REQUIRED TO MANAGE THEM. AFR/DP ALSO ADVISED THAT UNDER SCENARIO-BASED STRATEGY DEVELOPMENT, IT CAN BE IN THE MISSION'S MANAGEMENT INTEREST TO COLLAPSE SOS BECAUSE IT IS EASIER TO MODIFY AN IR THAN AN SO. USAID/ETHIOPIA ADVISED THAT IT WOULD NOT HAVE A SEPARATE MANAGEMENT UNIT PER SO AND WOULD CONSIDER THE IMPLICATIONS OF INCREASING THE NUMBER OF SOS.

5. RESOURCE PARAMETERS: IN ITS ISP, THE MISSION SHOULD ADVISE USAID/W ON THE LEVEL OF RESOURCES NEEDED TO IMPLEMENT ITS PROPOSED STRATEGY, SUBJECT TO THE FOLLOWING CAVEATS:

A. DEVELOPMENT ASSISTANCE: UNDER THE STATUS QUO, THE MISSION SHOULD ASSUME STRAIGHT-LINED FUNDING BASED ON THE FY 2001 CONGRESSIONAL PRESENTATION LEVELS WITH A PLUS UP FOR HIV/AIDS FUNDING. IN THE EVENT OF THE BEST CASE SCENARIO, IT WOULD BE UNLIKELY THAT ANY ADDITIONAL RESOURCES WOULD BE AVAILABLE FOR A "PEACE

UNCLASSIFIED

PAGE 10 STATE 034254 251851Z
DIVIDEND." NPA IS NOT AN OPTION FOR THE STATUS QUO BUT MAY EVENTUALLY BE AN OPTION IN A BEST CASE SCENARIO. AS NOTED IN PARA 4. A CONTINUATION OF THE STATUS QUO WILL BE VIEWED NEGATIVELY IN DETERMINING FUTURE RESOURCE LEVELS.

B. AFR INITIATIVES: AFSI FUNDING IS ACCOUNTED FOR IN ETHIOPIA'S OYB. THE PLUS UP IN HIV/AIDS FUNDING WILL BE ATTRIBUTABLE TO THE LIFE INITIATIVE.

C. GHAI RESOURCES: USAID/W APPRECIATES THE FUNDING CONSTRAINTS THAT FACE GHAI RESOURCES. THE MISSION SHOULD CLOSELY INVOLVE REDSO/ESA GHAI STAFF IN THE DEVELOPMENT OF THE ISP AND COME TO AGREEMENT WITH THEM ON APPROPRIATE GHAI ACTIVITIES AND NOTIONAL BUDGET LEVELS.

D. FOOD AID: THE AVAILABILITY OF NEW SECTION 416(B) IS QUESTIONABLE. IF THIS RESOURCE IS NOT AVAILABLE, THERE WILL BE ADDED BUDGETARY PRESSURE ON TITLE II RESOURCES, WHICH COULD MEAN A REDUCTION IN TITLE II REGULAR ASSISTANCE FROM THE FY 2000 CONGRESSIONAL PRESENTATION LEVELS. THE HIGHEST PRIORITY FOR TITLE II REGULAR FOOD AID SHOULD BE CHILD NUTRITION. THIRD

COUNTRY MONETIZATION IS NO LONGER AN OPTION SO THE MISSION SHOULD ASSUME THAT ANY MONETIZATION PROGRAM IS RESTRICTED TO ETHIOPIA'S OWN MARKET.

E. DISASTER ASSISTANCE: OFDA RECOGNIZES THAT EMERGENCY NEEDS ARE INCREASING AS A RESULT OF BOTH DROUGHT AND

UNCLASSIFIED

PAGE 11 STATE 034254 251851Z
CONFLICT. OFDA IS PREPARED TO RESPOND TO EMERGENCY NEEDS, AS REQUIRED. THE MISSION WILL WORK WITH THE ARO IN NAIROBI AND BHR/FFP TO COORDINATE PROGRAMMING OF EMERGENCY NON-FOOD ASSISTANCE.

F. GLOBAL (G) BUREAU: WHILE THE G BUREAU DOES NOT PROVIDE RESOURCES DIRECTLY TO THE ETHIOPIA PROGRAM, ITS TECHNICAL STAFF IS AVAILABLE FOR ASSISTANCE. ETHIOPIA IS A JOINT PROGRAMMING PARTNER WITH G/PHN. KEY AREAS IN THE HEALTH SECTOR THAT THE MISSION SHOULD REVIEW ARE CHILD MALNUTRITION, HIV/AIDS, POLIO, AND INFECTIOUS DISEASES, INCLUDING MALARIA.

G. STATE/AF/E: ETHIOPIA IS ELIGIBLE FOR SELF-HELP AND DEMOCRACY/HUMAN RIGHTS FUNDS. THE HORN OF AFRICA ACT DOES NOT PROVIDE NOTWITHSTANDING AUTHORITY FOR ECONOMIC SUPPORT FUNDS (ESF). THEREFORE, TO BE ELIGIBLE FOR ESF, ETHIOPIA'S DELINQUENT INDEBTEDNESS MUST BE RESOLVED, TO THE EXTENT CONSISTENT WITH SECTION 6 OF THE HORN ACT.

H. STAFFING: THE MISSION SHOULD ASSUME AT BEST A STRAIGHT-LINED STAFF LEVEL. MISSION SHOULD ALSO ADVISE STAFFING INTENTIONS FOR THE MANAGEMENT OF FOOD ASSISTANCE. WITHIN EACH SCENARIO, THE MISSION SHOULD DISCUSS HOW STAFFING WILL BE UTILIZED TO RESPOND TO CRISES.

I. OE: THE MISSION SHOULD ASSUME A STRAIGHTLINED OE LEVEL AT BEST.

UNCLASSIFIED

PAGE 12 STATE 034254 251851Z
4. IT WAS AGREED THAT THERE IS A NEED FOR A NEW ISP, BASED ON AT LEAST THREE SCENARIOS OUTLINED ABOVE, AND THAT THE ISP WILL HAVE A FIVE YEAR TIMEFRAME WITH A MID-TERM REVIEW THREE YEARS INTO THE STRATEGY PERIOD OR WHEN THE SITUATION CHANGES, WHICHEVER COMES FIRST. THE MISSION EXPECTS TO SUBMIT ITS ISP O/A APRIL 15, 2000.

ALBRIGHT

UNCLASSIFIED

ANNEX 7.2 IDP Contingency Plan Approval Cable

UNCLASSIFIED

PAGE 01 STATE 204976 241509Z
ORIGIN AID-00

ACTION OFFICE(S): !OFDAOPS
INFO OFFICE(S): AAXA ACRUMBLY AFDP AFEA AFSD AFWA05 AJOSHI
BHR CRTF FFP GC GCAF GCBHR GHAI JBRAUSE
JLEE JVGORGETTS MCAUDLE MMARX OFDA OL
OPTC PDSP POP PVC RBERGER TANDERSON TOKEEFE
WID WWHELAN

INFO LOG-00 AF-00 AGRE-00 UTED-00 TEDE-00 IO-00 PM-00
PMB-00 PRM-01 SAS-00 /001R

204976
SOURCE: AIDUNC.000914
DRAFTED BY: AID/BHR/OFDA:MMEREDITH:MM:CONT.CABLE -- 10/24/2000
25779
APPROVED BY: AID/AFR/EA:VDERRYCK

AID0914

AID/AFR/EA:JANDERSON (DRAFT) AID/AFR/SD:TPARKS (DRAFT)
AID/G:LDobbins (DRAFT) AID/AFR/PPC:JO'ROURKE (DRAFT)
AID/M:JRUDASIL (DRAFT) AID/GC/AFR:MAKLEINJAN (DRAFT)
AID/BHR/OFDA:EKVITASHVILI (DRAFT)
AID/AFR/DP:JSMITH (DRAFT)
STATE/A/S: SRICE (DRAFT)
STATE/PRM:AKRECZKO (DRAFT)
NSC:GSMITH (DRAFT)
STATE/PM/HDP:ASIERRA (DRAFT)
AID/LPA/CL:BBENNETT (DRAFT)
AID/G/PHN:BLEE (DRAFT)
AID/GC/BHR:TPOSEY (DRAFT)
AID/AFR:KBROWN

-----9624B5 241510Z /38

R 241507Z OCT 00
FM SECSTATE WASHDC
TO AMEMBASSY ADDIS ABABA
INFO AMEMBASSY ASMARA
AMEMBASSY NAIROBI
NSC WASHDC 0000

UNCLASSIFIED

PAGE 02 STATE 204976 241509Z
IGAD COLLECTIVE

UNCLAS STATE 204976

AIDAC NAIROBI FOR REDSO RLA JOHNSON AND DIJKERMAN

E.O. 12958: N/A

TAGS:

SUBJECT: USAID CONTINGENCY PLAN FOR CONFLICT-AFFECTED
POPULATIONS IN NORTHERN ETHIOPIA

REF: ADDIS 3173

1. SUMMARY: USAID AND STATE REVIEWED USAID/ETHIOPIA'S
"CONTINGENCY PLAN FOR REHABILITATION OF
CONFLICT-AFFECTED POPULATIONS AND AREAS IN NORTHERN
ETHIOPIA" AND ITS ADDENDUM AND AGREE WITH THE PROPOSED
INITIATIVES DESCRIBED IN THE PLAN. THIS CABLE ALLOWS
USAID/ETHIOPIA TO REPROGRAM 1,644,500 MILLION US
DOLLARS IN DA/CSD FUNDS TO ASSIST THE
CONFLICT-AFFECTED POPULATIONS IN NORTHERN ETHIOPIA.
END SUMMARY.

2. USAID AND STATE HAVE RECEIVED COPIES OF
USAID/ETHIOPIA'S "CONTINGENCY PLAN FOR REHABILITATION
OF CONFLICT-AFFECTED POPULATIONS AND AREAS IN NORTHERN
ETHIOPIA" AND ITS ADDENDUM. THE CONTINGENCY PLAN,

WHICH WAS COORDINATED WITH USAID/BHR AND OTHER USG
OFFICES INCLUDING STATE/PRM, WAS DEVELOPED FOLLOWING
THE SIGNING OF THE CESSATION OF HOSTILITIES AGREEMENT

UNCLASSIFIED

PAGE 03 STATE 204976 241509Z
ON JUNE 18, 2000 TO OUTLINE THE IMMEDIATE AND
POTENTIAL CHANGES IN OPERATING MODALITIES WITH REGARD
TO THE PROVISION OF ASSISTANCE IN CONFLICT AFFECTED
AREAS. THE CONTINGENCY PLAN IDENTIFIES DIFFERENT USG
OFFICES TO PROVIDE EMERGENCY, REHABILITATION AND
DEVELOPMENT ASSISTANCE TO INTERNALLY DISPLACED AND
EXPULSED POPULATIONS IN NORTHERN ETHIOPIA. THIS IS AN
IMPORTANT STEP TOWARDS SOLIDIFYING THE PEACE PROCESS
BETWEEN ETHIOPIA AND ERITREA.

3. THE CONTINGENCY PLAN PROPOSES TO REPROGRAM
1,644,500 MILLION US DOLLARS IN ALREADY OBLIGATED
DEVELOPMENT ASSISTANCE (DA) AND CHILD SURVIVAL
DEVELOPMENT (CSD) FUNDS FROM STRATEGIC OBJECTIVES 1,
2, AND 3 FROM THE APPROVED 1995-2000 STRATEGY TO MEET
BASIC HEALTH NEEDS AND PROMOTE HIV/AIDS AWARENESS AND
PREVENTION, REHABILITATE SCHOOLS AND PROVIDE
EDUCATIONAL MATERIALS TO DISPLACED AND RETURNEE
CHILDREN, AND SUPPORT A PLOUGH-OXEN RESTOCKING AND
TOOL DISTRIBUTION PROJECT. THESE FUNDS ARE EXPECTED
TO BE EXPENDED WITHIN THE NEXT 24 MONTHS. USAID/W
UNDERSTANDS THAT THE ACTIVITIES TO WHICH FUNDS WILL BE
REPROGRAMMED ARE DEVELOPMENT ASSISTANCE ACTIVITIES
WITHIN THE BASIC SCOPE OF THE EXISTING GRANT
AGREEMENTS, WHERE THE NEED FOR THE ADJUSTMENTS WAS
TRIGGERED BY THE RECENT CRISIS. THE MISSION SHOULD
WORK WITH THE RLA IN MAKING NECESSARY ADJUSTMENTS.

4. THE PLAN ALSO HIGHLIGHTS PRIORITY AREAS IN WHICH USAID/BHR/OFDA COULD PROVIDE EMERGENCY NON-FOOD ASSISTANCE, THE NEED FOR USAID/BHR/FFP TO CONTINUE TO

UNCLASSIFIED

PAGE 04 STATE 204976 241509Z
PROVIDE EMERGENCY FOOD ASSISTANCE, AND FOR STATE/PRM AND STATE/PM TO SUPPORT HUMANITARIAN MINE AWARENESS AND ACTION ACTIVITIES, RESPECTIVELY. STATE/PRM WILL CONTINUE TO SUPPORT ASSISTANCE TO REFUGEES, RETURNING ETHIOPIAN REFUGEES, AND ICRC BENEFICIARIES. THE CONTINGENCY PLAN ALSO IDENTIFIES ACTIVITIES THAT THE UNITED NATIONS, OTHER DONORS AND NGOS ARE EITHER ALREADY IMPLEMENTING OR ARE CONSIDERING INITIATING IN THE SHORT TERM.

5. USAID (AFR/EA, AFR/DP, AFR/SD, PPC, G/WID, BHR, GC, AND G/WID), STATE (STATE/AF AND STATE/PRM) AND THE NSC REVIEWED THIS CONTINGENCY PLAN AND HAVE NO OBJECTIONS TO THE PROPOSED INITIATIVES DESCRIBED WITHIN. USAID AND STATE AGREE THE CONTINGENCY PLAN AND ADDENDUM ARE

WELL-WRITTEN AND PROVIDE SOLID RECOMMENDATIONS UNDER THE FOUR SCENARIOS. THE COUNTRY TEAM IS TO BE COMMENDED FOR ITS SUCCESS AT DEVELOPING A COMPREHENSIVE PLAN, ESPECIALLY IN SUCH A SHORT TIME. THE CONTINGENCY PLAN COMES AT AN IMPORTANT TIME, AND CLEARLY IDENTIFIES OPPORTUNITIES NOT ONLY FOR RESPONDING TO THE NEEDS OF THOSE AFFECTED BY THE CONFLICT BUT ALSO FOR ENSURING THAT USG ASSISTANCE HELPS TO STRENGTHEN THE PEACE PROCESS.

6. WHILE THE REVIEW TEAM AGREES WITH THE INITIATIVES IN THE CONTINGENCY PLAN, IT PROVIDES THE FOLLOWING COMMENTS:

- IN ADDITION TO THE LIST OF VULNERABLE POPULATIONS ON

UNCLASSIFIED

PAGE 05 STATE 204976 241509Z
PAGE 6 OF THE CONTINGENCY PLAN, THE USG PLANS TO ASSIST ETHIOPIAN REFUGEES IN SUDAN AFTER THEIR RETURN TO ETHIOPIA. AN ESTIMATED 30,000 LONGTIME ETHIOPIAN REFUGEES IN SUDAN ARE SLATED TO REPATRIATE BY THE END OF THE YEAR. MOST OF THESE REFUGEES WILL BE SETTLING IN NORTHERN ETHIOPIA, LIKELY INTO COMMUNITIES IN WHICH THEY DID NOT LIVE BEFORE, OR AT LEAST FOR THE PAST 25 YEARS OR MORE, AND THEREFORE REQUIRE ASSISTANCE. THEY WILL BE ASSISTED INITIALLY BY UNHCR, INCLUDING WITH STATE/PRM FUNDING.

- STATE/PRM HAS EARMARKED 4.76 MILLION US DOLLARS IN FY 2000 FUNDING FOR REFUGEE PROTECTION AND IDP ASSISTANCE IN ETHIOPIA AND AN ADDITIONAL COMBINED

TOTAL OF 2 MILLION US DOLLARS TO ICRC FOR CONFLICT VICTIMS, POWS AND DETAINEES IN ETHIOPIA AND ERITREA. IN ADDITION, STATE/PRM PROVIDED 500,000 US DOLLARS TO WFP FOR FOOD PURCHASES FOR IDPS AND 650,000 US DOLLARS TO UNICEF TO ADDRESS IDP NEEDS, ESPECIALLY THOSE FORCED TO LIVE IN CAVES NEAR ZALAMBESA. THESE NUMBERS UPDATE THE INFORMATION PROVIDED IN THE FUNDING CHART ON PAGE 4 OF THE ADDENDUM.

- IN FY 2000, STATE/PM PROVIDED TWO GRANTS TOTALLING 750,000 US DOLLARS (250,000 US DOLLARS TO UNICEF TO SUPPORT MINE AWARENESS EFFORTS AND 500,000 US DOLLARS TO HALO TRUST FOR THE SURVEY EFFORT) TO SUPPORT MINE SURVEY AND MINE AWARENESS EFFORTS IN ETHIOPIA AND ERITREA. THESE GRANTS SUPPORT STATE/PM'S EFFORTS TO SUPPORT LIMITED MINE ACTION IN THE TEMPORARY SECURITY ZONE.

UNCLASSIFIED

PAGE 06 STATE 204976 241509Z

- STATE/PRM NOTES THAT THE POST OF A REGIONAL REFUGEE COORDINATOR AS DESCRIBED ON PAGE 13 OF THE CONTINGENCY

PLAN WAS ESTABLISHED LAST YEAR AND NOT AS A RESULT OF PRM A/S TAFT'S VISIT IN JULY. JOHN MCATEER, WHO IS CURRENTLY ACTING IN THAT POSITION, IS RESPONSIBLE FOR FOLLOWING REFUGEE AND CONFLICT VICTIM ASSISTANCE THROUGHOUT THE HORN (SUDAN, ERITREA, ETHIOPIA, DJIBOUTI, KENYA, AND SOMALIA.)

- USAID/GC/AFR CONFIRMED THAT, AS A LEGAL MATTER, USAID DOES NOT NEED TO NOTIFY THE HILL FOR READJUSTMENTS OF ALREADY-OBLIGATED DA/CSD FUNDS, WITHIN THE BROAD SCOPE OF EXISTING NOTIFICATIONS AND PURPOSES FOR WHICH THE FUNDS ARE OBLIGATED. USAID/LPA AGREES THAT NO CONGRESSIONAL NOTIFICATION IS REQUIRED.

- PURSUANT TO THE TERMS OF THE GRANT AGREEMENTS WITH THE GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (GFDRE), ADJUSTING/REPROGRAMMING ALREADY-OBLIGATED DA/CSD FUNDS WITHIN THE EXISTING SCOPE OF THE AGREEMENTS REQUIRES GFDRE AGREEMENT. USAID/AFR/EA UNDERSTANDS THAT USAID/ETHIOPIA HAS INITIATED DISCUSSIONS AT THE STAFF LEVEL WITHIN THE APPROPRIATE MINISTRIES AND WILL FOLLOW UP SOON AT HIGHER LEVELS.

7. THIS CABLE PROVIDES CLEARANCE FOR USAID/ETHIOPIA TO REPROGRAM DA/CSD FUNDS AS DESCRIBED IN THE CONTINGENCY PLAN.

TALBOTT

UNCLASSIFIED

**Brooke Amendment Response
for USAID/Ethiopia Program**

USAID/Ethiopia

July 24, 2000

Table of Contents

	<u>Page</u>
I. Executive Summary	1
II. U.S. Mission Portfolio	2
III. Background	3
IV. Discussion	4
V. Detailed Activity Sheets (DAS)	5-40

[These have been omitted from this ANNEX to the ISP]

USAID/ETHIOPIA CORE ACTIVITIES:

1. SO 663-001, INCREASED AVAILABILITY OF SELECTED DOMESTICALLY PRODUCED FOOD GRAINS.

- A. Development of Competitive Markets Project
- B. Resources for Developing Agriculture

2. SO 663-002, INCREASED USE OF PRIMARY AND PREVENTIVE HEALTH CARE

- A. Essential Services for Health in Ethiopia (NPA)
- B. Essential Services for Health in Ethiopia (Project)

3. SO 663-003, QUALITY AND EQUITY IMPROVED IN EXPANDED SYSTEM OF PRIMARY EDUCATION

- A. Basic Education Systems Overhaul (NPA)
- B. Basic Education Systems Overhaul (Project)

4. SO 663-004, INCREASED ACCESS TO AND PARTICIPATION IN DEMOCRATIC SYSTEM

- A. Democracy and Governance Support Project
- B. Ethiopian Non-Governmental Sector Enhancement Initiative

5. SO 663-005, ENHANCED HOUSEHOLD FOOD SECURITY IN TARGET AREAS

- A. Strengthening Emergency Response Ability Project

EMBASSY PROGRAMS/PROJECTS:

6. 698-0541.63: DEMOCRACY AND HUMAN RIGHTS FUND

7. 698-9901: AMBASSADOR'S SPECIAL SELF HELP

BHR ACTIVITIES:

8. SAVE THE CHILDREN ETHIOPIA

A. CA# FAO-A-00-97-000054-00

9. INTERNATIONAL EYE FOUNDATION

A. CA# FAO-A-00-95-000018-00

10. WORLD VISION

A. CA# FAO-A-00-95-000024-00

11. AFRICARE-ETHIOPIA

A. CA# N/A

12. MATCHING GRANT –PACT

13. TITLE II P.L.480

**14. BHR/Office of American Schools
And Hospitals Abroad (ASHA)**

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

From: Vivian Lowery Derryck, AFR/AA
Douglas L. Sheldon, Mission Director, USAID/ETHIOPIA

SUBJECT: USAID/ETHIOPIA Brooke Amendment Response

Date: July 24, 2000

- I. Executive Summary**
- II. U.S. Mission Portfolio**
- III. Background**
- IV. Discussion**

I. Executive Summary: Brooke Amendment for USAID/Ethiopia Program

Introduction

The purpose of the Brooke Plan is to: (1) identify any assistance not within the Horn Act or other exceptions; (2) document that planned assistance is within these exceptions; (3) review the appropriateness of any Horn Act assistance dependent upon or related to prohibited assistance; and (4) provide the AA/AFR with a sufficient description of Horn Act Assistance on which to base future policy determination to exercise Horn Act authority. The Alexander Brooke Amendment and Section 620(q) of the Foreign Assistance Act of 1961, as amended, sanctions prohibit the obligation of DA, DFA, and ESF funds for assistance to Ethiopia, unless a specific exemption or waiver applies, in this case the Horn Act. Ethiopia came under Section 620 (q) sanctions in May 1998 and under the Brooke Amendment sanctions in November 1998 as the result of the Housing Guarantee Loan. USAID activities continued under the notwithstanding provisions of the Horn of Africa Recovery and Food Security Act. In partnership with the Government of the Federal Democratic Republic of Ethiopia (GFDRE), USAID is currently engaged in programs covering food security, health, education, and democracy and human rights.

The Development Challenge

Regional stability and responding to chronic food insecurity lie at the core of U.S. national interests in Ethiopia. In addition, drought conditions placed nearly six million rural Ethiopians at risk at the close of FY 1999. The Ethio-Eritrean border conflict slowed Ethiopia's development efforts, as bilateral donors, including the United States, and international financial institutions delayed non-project assistance (budget-support) programs. However, all of these organizations, including the United States, have continued project assistance.

U.S. Government development assistance is mainly channeled through USAID/Ethiopia. There are also Embassy and BHR managed activities. USAID/Ethiopia's program is designed

to address (a) increased agriculture production and productivity; (b) diversified sources of household income including expanded access to micro-credit; (c) reduced rates of infectious diseases and slowed population growth rate; (d) improved quality and efficiency of basic education with a focus on improving the completion rates of girls; and (e) more efficient use of public resources and a more efficient judicial system. There are two Embassy implemented activities; i.e., Self-Help and Democracy and Human Rights projects and six others operated by BHR. In addition, USAID/Ethiopia maintains a capacity to respond to emergency situations and continues to support efforts to build the capacity of the national and regional governments to respond to crises.

USAID/ETHIOPIA projects are implemented through US PVOs, local NGOs, PASA agreements and host government contracts. (See Annex A: Detailed Activity Sheets for details.)

Border Conflict - Current Situation

Ethiopia and Eritrea have both accepted and signed the proposal for the cessation of hostilities in their two-year-old border war. The proposal was presented to the two parties by the OAU on June 18, 2000. The OAU Proposal has the full backing of the OAU's partners in the peace effort, the United States and the European Union. With this agreement in place, both countries will lead, as soon as possible, activities for the clearing of minefields to create the necessary conditions for the deployment of the peacekeeping mission, re-establishment of a civil administration and the return of the population as well as the delimitation and the demarcation of the common border. Both countries also face a looming humanitarian crisis. Chronic food insecurity, compounded by the recent drought, is the key development problem faced by Ethiopians.

II. U.S. Mission Portfolio

USAID has re-structured its agricultural development program to focus on increasing rural household production and productivity and increasing the efficiency of agricultural markets. The re-structured agricultural program includes new emphases on applied, on-farm agricultural research and extension services, access to micro-credit and micro-enterprise development. It continues support for the development of business-based, democratically managed farmer cooperatives and independent agricultural retailers and policy reform. It also better integrates PL 480 Title II food for work and related activities with other agriculture development activities.

At current growth rates, Ethiopia's population will almost triple to 145 million by 2025, yet approximately one-fourth of Ethiopia's children currently die before their fifth birthday, and the maternal mortality rate is estimated to be one of the highest in the world. USAID's approach to these problems emphasizes policy reform (increased public expenditures on preventive and primary health care and health care financing reform), the expansion of integrated health and family planning services, including HIV/AIDS prevention programs in urban areas, and the delivery of preventive, primary health care services to the 11 million people in the Southern Nations, Nationalities and Peoples Region.

Not more than 35% of Ethiopia's elementary school age population is enrolled in primary school, with even lower enrollment rates for girls and rural children. USAID's approach to increasing primary enrollments is directed at strengthening the system's financing and administrative capacity, increasing public investment in primary education, improving teacher training and the quality of educational materials, and increasing community involvement in school management and support.

As Ethiopia's democratic transition has proceeded, USAID's focus has shifted supporting the decentralization of government functions, the strengthening of an independent judiciary, and the strengthening of Ethiopian non-governmental organizations (NGOs).

Along with USAID/Ethiopia's program areas, the U.S. Embassy has two program areas and the Bureau for Humanitarian Response, USAID/Washington has seven program areas. Please see the attached project "Detailed Activity Sheets". Currently, USAID programs cover food security, health, education and governance. Embassy Self-Help activities and Human Right funds are aimed at the development of Ethiopia's rural communities and enhance participation in democratic process, respectively. The above program areas are consistent with the provisions of the Horn of Africa Recovery and Food Security Act.

III. Background: Brooke Amendment and U.S. Mission Programs in Ethiopia

Existing loan agreements with Ethiopia were negotiated during the era of Emperor Haile Selassie I for development projects up to mid-seventies. USAID did not negotiate any loan agreement during the ensuing period and Ethiopia did not benefit from debt forgiveness during the communist rule under Mengistu regime. Currently, Ethiopia has thirty-one Direct Loans, one Housing Guarantee loan and one local currency loan in its USAID loan portfolio with total outstanding amount of USD 74.5 million (PricewaterhouseCoopers, LLP Report dated March 1, 2000). Ethiopia has undergone two loan reschedulings on May 3, 1993, and October 9, 1997, covering its Direct Loans and the Housing Guaranty Loan. Accordingly, all outstanding arrears and maturities falling due between December 1, 1992 and December 31, 1998 were consolidated and rescheduled. However, Ethiopia failed to reach an agreement with the International Monetary Fund after December 31, 1998. Therefore, maturities falling due after January 1, 1999 were excluded from the consolidation and the Debt Rescheduling Agreement of October 9, 1997. Subsequently, Ethiopia has started accumulating arrears from January 1, 1999 on all its loan portfolios.

As the result of the Housing Guarantee Loan, in May 1998 Ethiopia became subject to Section 620(q) of the Foreign Assistance Act of 1961, as amended, which prohibits the furnishing of assistance to any country which is delinquent in the repayment of loans made under the FAA for a period in excess of six months. As of November 1998, Ethiopia became subject to Brooke Amendment sanctions, currently section 512 of the Foreign Operations, Export Financing and related Programs Appropriations Act (P.L. 106-113) (FAA). The Brooke Amendment prohibits the furnishing of assistance to any country that is more than one-year delinquent in the repayment of loan obligations to the U.S. Despite this, implementation of the U.S. Mission projects in Ethiopia continued under the Horn of Africa Recovery and Food Security Act of 1991 ("Horn Act") notwithstanding provisions.

IV. Discussion

Because the Horn Act is an authorization act (as opposed to an appropriations act which might be active for only one year), the waiver of 620(q) and Brooke is effective indefinitely with respect to the obligation of funds to Ethiopia, i.e. until Congress rescinds the Horn Act or excludes Ethiopia from its application. Therefore, at the present time, even if Ethiopia continues to accumulate arrears in the future on its loan repayments, the Horn Act exceptions can be invoked and funds for development programs can be obligated without interruption notwithstanding the provisions of FAA section 620(q) and the Brooke Amendment.

Section 6(f) of the Horn Act provides that the type of assistance described in Section 6, (Horn Act attached), may be made available to Ethiopia notwithstanding any other provision of law that would restrict assistance to that country. Section 6(a) of the Horn Act states that development assistance should be targeted to aid the poor majority of people (particularly refugees, women, the urban poor and small-scale farmers and pastoralists) to the maximum extent practicable. The Ethiopia program complies with these parameters.

Section 6(e) of the Horn Act permits obligations to be made with the Government of Ethiopia, since the President made certain certifications regarding Ethiopia, under Section 8 of the Horn Act, on May 26, 1992 (Presidential Determination No. 92-27). Legally, the Section 6 “notwithstanding” authority is self-executing, and does not require action by the Africa Bureau Assistant Administrator to be effective. On December 15, 1999, the AA/AFR determined that as a general policy matter it was appropriate to continue obligations of the planned FY 2000 assistance program pursuant to the applicable Horn Act exceptions.

Please contact Mr. James Anderson, AFR/EA, or us for any clarification or additional information that you may wish.

V. Detailed Activity Sheets (DAS):

[This Annex 8 of the USAID/Ethiopia Integrated Strategic Plan, FY 2001-FY 2006 does not include the detailed activity sheets, Annex A of the July 24, 2000 submission to USAID/Washington. They are available from the Country Desk Officer.]

ADDENDUM
to the
Integrated Strategic Plan
FY 2001 - 2006



USAID/Ethiopia

December 2000

TABLE OF CONTENTS

	PAGE
PART I: ISSUES RESOLVED AT ISSUES MEETING	
Food Insecurity.....	1
Environment.....	8
Education.....	11
Democracy and Governance	13
Health and Population	20
 PART II: ERRATA SHEET.....	 29
PART III: ENVIRONMENTAL ANALYSIS	31

PART I: Issues Resolved at Issues Meeting 12/6/2000

Food Insecurity

Issue 4. It is unclear from the ISP why Ethiopia has failed to establish a food secure environment for its population.

Discussion. The ISP provides limited analysis of the *causes* of this failure. While the Mission, other donors, and the GFDRE have conducted this comprehensive analysis over the years, the results of this analysis has not been summarized in the ISP. Nonetheless, the Mission used this analysis as the rational for its strategic choices. The Mission, with Ethiopia counterparts, have determined that population growth, low productivity, environmental degradation, lack of education, poor health, the policy and political environment, and the region's vulnerability to disasters are fundamental but not the only root causes of this failure.

The Mission recognized the value of further analysis of the root causes of the country's structural food deficit and the impact of its USAID assistance. USAID will conduct a comprehensive evaluation of food aid development programs in Ethiopia within the past 10 years.

Disposition. USAID/Ethiopia will expand on the root causes of food insecurity in the Addendum of the ISP. In addition, USAID/Ethiopia will expand the scope of work for its planned evaluation of Title II development programs to include an assessment of how these programs address causes of food insecurity. The evaluation will also address how development food programs will contribute to and enhance the policy environment to move from relief to sustainable development.

Mission Response:

The Mission, other donors, and the GFDRE conducted comprehensive analysis of the root causes of Ethiopian food insecurity over the years. Although the results of this analyses were not summarized in the ISP, the Mission used the findings as the rational for its strategic choices.

Annex 2 of the USAID/Ethiopia ISP identifies numerous analyses to which USAID/Ethiopia has contributed. The most important documents include:

- **National Food Security Strategy**, The Federal Democratic Republic of Ethiopia, November 1996.
- **National Food Security Program (1998-2002)**, The Federal Democratic Republic of Ethiopia, June 1998.

- **Federal Democratic Republic of Ethiopia Food Security Program**, Report of the Multi-Donor Assessment Team, March 15, 1999

These documents describe the complexities of chronic food insecurity in Ethiopia, identify the principal causes, articulate a coherent GFDRE strategy to address those causes, and propose a comprehensive program of activities to increase food security. The USAID/Ethiopia ISP, particularly the RHPP SO, was developed in consonance with these documents. The National Food Security Strategy and National Food Security Program are two of the foundation documents for the GFDRE Poverty Reduction Strategic Plan (PRSP), in which some of the concepts are further examined.

In theory, the foundations for progress and development were in place at the time the imperial feudal system was overthrown by the Derg. The “meager 1970’s standards of living” were effectively destroyed by 17 years of centralized planning under the socialist Derg regime. When the present government came to power in 1991 they inherited a country which had suffered the destruction of the previous socio-economic systems, without the installation of viable alternatives. Therefore, the pertinent question with regard to food security in Ethiopia, is:

What has the present government achieved since coming to power in 1991, and how can USAID contribute to the ongoing development process?

The current year, despite drought and near famine, has produced a record cereals harvest for Ethiopia. Nevertheless, the problem of food insecurity in Ethiopia (and in the Horn, in general) is overwhelming. A recent report on the opportunities and constraints associated with the Nile River basin¹ notes:

“Without economic growth, **population increases** will exacerbate existing problems of poverty and food insecurity Continuation of the downward spiral of increasing population, declining environmental quality, and poverty is not inevitable.”

The interaction between food insecurity and population growth, environmental degradation and the level of poverty is complex, and made worst by failed policies to promote more equitable economic growth in food insecure areas. The following excerpt provides a concise summary of the results of multiple analyses over time with regard to the root causes of food insecurity in Ethiopia. The excerpt is taken from a preliminary report by Joanne Raisin, a consultant whose work for a multilateral donor and Ph.D. Dissertation² has significantly advanced the debate on the nature of food insecurity and famine.

¹ The Nile Basin – Environmental Trans-boundary Opportunities and Constraints Analysis (October 2000),

² See for example, Raisin, Joanne, “Exploring the Anatomy of Famine in Ethiopia; a Case Study of Tigray 1974-1996”; Ph.D. Dissertation, University of Bradford, U.K., 1998.

1 – THE CAUSES & NATURE OF FOOD INSECURITY IN ETHIOPIA

- Over the course of the twentieth century, population has pushed farming into previously uncultivated land, where the frequency of frosts and floods, and highly variable rainfall patterns have exposed rural communities to a climate and environment that is 'unstable' in normal years. At the same time, increasing demand in the ideal middle zone has led to the decreasing per capita resources of land and livestock. These trends have decreased both agricultural productivity and the margin of safety from climate related shocks.
- Diminishing land-holdings and declining production has led to the abandonment of fertility restoring practices and a trend towards permanent cultivation. This is compounded by the clearance of forests, resulting in the use of dung as the major source of fuel in the highlands. This is generally not compensated for with fertilizer purchase in the deficit areas because of the economic risks associated with an erratic climate. The net result is environmental damage, and lower yields.
- These trends are reinforced by household ownership of land in only a few micro-climates, which prevents households from spreading the risk of crop failure in the event of climatic fluctuations. Moreover, seed shortages prevent households from re-planting in the event of initial crop losses.
- Since the 1970s, pasture has steadily declined relative to livestock needs in areas of increasing population density. This has led to a reduction in livestock numbers at the household level because livestock must be fed from on-farm resources, even as land-holdings have diminished. Households are therefore less able to build up livestock assets during good years, as an insurance against bad years that may follow. The limitations of the ecological base have thus been a significant factor in household decapitalization since the 1970s. The repeated effects of famine in the 1980s and 1990s, resulting in the loss of livestock assets through deaths/sales add to the problem.
- Declining productivity is reinforced by the fact that the farming and production systems have changed little since the nineteenth century. Moreover, the interaction of demographic pressure, a dwindling resource base, and the over-exposure of peasant households to famine has actually encouraged farmers to adopt more conservative risk aversion strategies, rather than innovate the production process. Even adaptive forms of land-use, such as terracing and irrigation are being abandoned in the severe food deficit areas, especially Wollo.
- However, the effect of the interaction of population pressure, environmental degradation and diminishing land holdings is only true because the policy environment has failed to address these trends through appropriate rural development strategies over the last forty years. This, combined with few off-farm income earning opportunities and a lack of urban development generally, which might otherwise draw people from the land, has resulted in a rural sector overwhelmingly characterized by poverty, and chronic and acute food insecurity.
- Although rural communities in Ethiopia tend to be poor by absolute measures, there is nonetheless a relative and significant degree of socio-economic differentiation between communities and households. This is dependent on household access to traction power (oxen), the availability of adult male labor and land. These assets determine the degree to which households can cope with climatic/economic shocks in a crisis year, as well as in a 'normal' year.
- The field work revealed an overall trend towards increasing food insecurity in the rural sector, as well as increased levels of impoverishment generally. In sum, this trend was reflected in declining household and community assets across most household types. In many cases,

households were entering into a spiral of poverty from which they find it difficult to escape, having lost the necessary assets to ensure future productivity (e.g., oxen). Moreover, the margins of safety from climatically induced shocks are becoming increasingly narrow for many rural households as options for employing coping mechanisms are becoming increasingly difficult.

- As food insecurity deepens at the household level, on and off-farm environmental degradation generally increases. This is because household investment in agriculture is cut when a crisis begins to manifest itself as investments made in soil & water conservation practices (e.g., irrigation and terracing) are too labor intensive relative to potential gains. In addition, community assets may also be depleted (forest, scrub and pasture) as households increasingly search for off-farm income generating opportunities. In both ways, poverty and famine vulnerability therefore increase the rate of environmental degradation. Thus, the real causal relationship between environmental degradation is that poverty leads to increased environmental destruction and not that the latter is leading to increased food insecurity as is sometimes thought to be the case. Rather, environmental rehabilitation and on-farm investments tend to go hand in hand with increased food security at the household level.
- The accumulation of the effects of trends discussed above has resulted in 9-10 million people requiring emergency assistance in 2000. This is the result of the accumulation of the above processes, which have reduced the ability of households to cope with external shocks such as drought.

2 – PRESENT INTERVENTIONS TO ADDRESS FOOD INSECURITY IN ETHIOPIA

- Donor neglect of food security development programs, combined with an inappropriate GOE policy environment that has failed to address the problems of the small-holder agricultural sector, have helped push a significant proportion of the rural population to a point that they find it difficult to meet household food needs, even in a 'normal' year when rainfall is good.
- Thus, the clear bias towards emergency-led responses to chronic and acute food insecurity in Ethiopia both within GOE circles and the donor community has essentially resulted in twenty years of interventions that have failed to improve levels of food security. On the contrary, the number of beneficiaries has continued to rise, culminating in a need to provision approximately 10 million people this year (2000).
- The reasons for this lie in the nature of relief interventions themselves, which focus action at a point in time at which households have already lost their productive capacity. Thus, action is mostly taken when there is a threat to lives (e.g., starvation) rather than a threat to livelihoods. This compromises the future productive capacity of drought affected households. Moreover, it sets in motion a process of impoverishment from which households find it difficult to escape.
- The growing trend in favor of Food for Work (FFW), Cash for Work (CFW) and Employment Generation Schemes (EGS), as opposed to gratuitous distributions, is not providing a continuum between relief and development in the way proposed. This is because the assets created are never surplus to immediate household needs and thus beneficiaries are unable to make productive on-farm investments. Moreover, even the community assets created through public works are generally not sustainable/maintainable without further donor inputs.
- Evidence suggests that the targeting of drought affected households specifically over drought affected communities (even if drought does impact differently according to asset profiles) is not the most appropriate type of intervention. This is because households within a community are linked in complex ways through relationships with land, labor and livestock. Interventions in one household have repercussions in others within a community. It is through

and acknowledgement of this that we can better understand why it is that whole communities can dip below a threshold of poverty in certain circumstances.

- The failure to address the constraints of the rural small-holder sector in general has helped spread the problems of chronic and acute food insecurity from the northern highlands to more southern areas of Ethiopia, which were previously considered relatively food secure. Thus, a substantial proportion of this year's (2000) emergency appeal includes requests for relief to provision settled agricultural areas in Wellaita and North Omo, which have not featured significantly in previous appeals, as well as for pastoralists in Somali region and parts of Borana.
- Without further long-term investment in the smallholder sector, it is probable that the process of destitution already in evidence will continue. Future interventions should aim to intervene before the productive capacity of households is undermined through asset depletion. This requires that long term development projects take priority over the relief distribution system.

--- (J. Raisin, *Food Security and Community Development Consultant, October 2000*)

* * * * *

Debate on the root causes of food insecurity will continue. What is clear is that population growth which exceeds the growth in agricultural production is a primary contributor to the large food insecure populations in the chronically food insecure areas of Ethiopia.

Ethiopia's economy is predominantly one of subsistence agriculture, whose vitality has been sapped by population growth and subsequent diminished size of land holding per family. Can Ethiopia produce enough food to feed itself? Absolutely, but not until/unless the purchasing power of rural households is increased so that they provide a viable market for surplus production and increased investment. That requires alternative income sources (jobs) – which requires economic growth, and the migration of labor (previously discouraged) to areas of economic opportunity. Hence, as noted elsewhere in this addendum, economic growth (with the creation of jobs and assets at the household level) is the primary means by which food security can be enhanced. Furthermore, the relationship between food insecurity and environmental degradation is a downward spiral. Reversing this cycle, as noted by Raisin above and elsewhere in this addendum, requires a community-based approach.

The GFDRE has recognized, in its Food Security Strategy (below), the complex, and multifaceted approach necessary to address food insecurity. It's content strongly supports the rationale for the selection of the USAID/Ethiopia ISP long term goal and strategic objectives.

The Federal Democratic Republic of Ethiopia Food Security Strategy November 1996

Executive Summary

The Government of Ethiopia has announced its objective of doubling per capita incomes over 15 years, and of narrowing substantially the "food gap" within five years. Agriculture contributes 55 percent of Ethiopia's GDP, and its growth linkages are likely to be higher than those for any other

sector; it must play a dominant role in achieving both these objectives. Ambitious as the new production program is, it will not in the near future resolve the problem of food insecurity currently facing many in both the rural and urban populations. Each year more than four million people in the rural sector have problems securing enough food for themselves, and need help.

The Food Security Strategy highlights the strategic elements of the Government's plan to improve food security in Ethiopia. The paper first addresses the magnitude of food insecurity, and then outlines the proposed strategy for addressing the problems. Its' main elements are as follows:

- 1. Stimulating Economic Growth and Employment by:**
 - (a) maintaining sound macro-economic policies and population policies;
 - (b) giving priority to rural development, and focusing on agriculture;
 - (c) holding, or lowering real consumer food prices through increased food production and lower-cost marketing;
 - (d) encouraging rapid growth of small business enterprises that create jobs;
 - (e) diversifying agriculture and promoting exports in support of food trade; and
 - (f) developing measures for regions with less reliable rainfall, and pastoral areas.
- 2. Establishing Additional Entitlement/Access and Targeted Programs, including;**
 - a. Supplementary Employment/Income Schemes:**
 - (a) linked with priorities for rural areas, such as agricultural production/marketing, natural resource management, and nutrition/health focuses (i.e. roads, irrigation, soil conservation, water supply and sanitation);
 - (b) linked with lower real consumer food prices (which support labor-intensive public works and job creation generally);
 - (c) with decentralized administration and sustainable financing plans with donor assistance; and
 - (d) built on critical assessment of experience already available in Ethiopia.
 - b. Targeted Programs** for very poor and vulnerable groups built on the successful Safety Net Program (1993-1994), with a focus on women, having strong monitoring arrangements and plans for graduation of beneficiaries from the programs.
 - c. Nutrition and Health Interventions** addressing those at highest risk (children under five, and pregnant and lactating mothers), including children's immunization, diarrhea prevention, nutrition education, family planning, better weaning foods, and micro-nutrients.
 - d. Strengthened Emergency Capabilities** for monitoring, surveillance, early warning, and food and relief distribution.

* * * * *

In early calendar year 2001, USAID/Ethiopia intends to do a comprehensive evaluation of food aid development programs in Ethiopia over the past 10 years. We will expand the scope to include an assessment of how these programs address the root causes of food insecurity, both positively and negatively. The evaluation will also address how non-emergency food aid programs will contribute to and enhance the policy environment to move from relief to sustainable development.

Environment

Issue 1. The utilization of the mission's substantial level of environmental funding is inadequately described in the ISP.

Discussion: The ISP notes that "poor agricultural practices and deforestation continue to degrade the land at alarming rates," that strengthened watershed management efforts, with new emphasis on reforestation, is the "key to increased food security," and that Ethiopia's favorable (compared to other countries in the region) agricultural growth rate has come at the expense of its natural resource base. However, the discussion of IRs 1-5 under the Rural Household Production and Productivity (RHPP) strategic objective (SO) does not provide a clear strategy for addressing these issues. The projected ENV/AG funding ratio is \$25M/\$35M for the high scenario and \$15M/\$20M for the low scenario, yet the discussion of the RHPP SO focuses only on agriculture. This leaves the impression that ENV funds will be utilized for agriculture activities that are not clearly related to environment/natural resource management.

Moreover, ENV funding of \$6M is projected under the high OYB scenario for the Mitigate Effects of Disaster (MED) SO. Although this would comprise more than one quarter of DA funding for this SO, the ISP's description of the use of these funds is not clear.

Disposition: USAID/Ethiopia will develop an Addendum to the ISP to articulate the strategy for addressing environment/natural resource needs as related to (1) the five IRs of the RHPP SO, and (2) the MED SO. USAID/G and USAID/PPC clearance of the draft ISP approval cable will be contingent on G/ENV and PPC review and clearance of the Mission's response in the Addendum.

Mission Response:

Below is a summary of how environmental funds will be used under each IR in the Strategic Objectives: Rural Household Production and Productivity Increased (RHPP SO)

IR1, Integration of food, livestock and factor markets increased, and IR2, Competition in agricultural input and output markets increased.

IR1 deals with agricultural and livestock production and market price information. It is relevant to the environment, in that, increased market integration provides rural households with production incentives. This would help reduce the need for further expansion into lower-potential fragile lands and areas of biodiversity concern.

IR2, Competition in agricultural input and output markets increased.

Increasing competition in agricultural input and output markets will increase incentives identified above, and further reduce the need for expansion into lower-potential fragile lands and areas of biodiversity concern.

IR 3 Rural household cash crop and micro-enterprise income increased/diversified.

The role of micro-enterprise development is to create alternative sources of income and employment opportunities. It will contribute to sustainable natural resources management and environmental rehabilitation by providing rural households substitute activities that do not mine the natural resource base. Since the potential for increasing crop cultivation and production in the geographic target area is limited, activities under this IR will focus on integrated natural resources management and the development of other long-term income generating activities in forestry, agro-forestry and the production of fodder materials for livestock.

IR4, Food and agricultural research systems in target areas strengthened, and IR5, Extension service dissemination of technology information in target areas improved.

The Mission is requesting environmental funds for sustainable, integrated natural resources management and environmental rehabilitation. The geographic area selected for initial program implementation is, by definition, drought affected and severely degraded. The major cause of food insecurity in this and other similar areas is years of inefficient use of natural resources, population growth, lack of other non-farm income generation activities, depletion of the resource base, severe environmental degradation, and recurrent drought. Research and extension activities supported under the SO will be directly linked to sustainable natural resource and pilot watershed management and reversing environmental degradation and maintenance of biodiversity, as follows:

- Technology development will concentrate on watershed management and conservation based activities such as water harvesting, organic soil fertility improvement, soil management, agro-forestry development, farming systems, crop rotation, biological conservation, and efficient use of land resources.
- Extension: Will emphasize provision of information on sustainable natural resource management, soil and water conservation, watershed management, soil fertility improvement, and the proper and sustainable use of land resources in terms of productivity. The emphasis in this area is the environment, since the existing system is simply emphasizing intensification through provision of improved seed, fertilizer and chemicals. Under the newly proposed system, consideration will be placed on catchments, watersheds and the ecosystem. Activities that put stress on the resource base will be seriously addressed.

In addition, USAID/Ethiopia intends to support a pilot watershed management program involving diverse agro-ecological zones. The development of a support system for community-based watershed management, based on previous pilot efforts, will build on positive traditional practices, and stress sustainable management of natural resources and the productive use of land resources with long-term environmental implications. The integrated watershed management support program will have a strong influence/relation on water resource development (surface and groundwater recharge) and the sustainable performance of water storage dams where siltation is a major constraint. Communities

will own the design and implementation of activities, with technical support from regional experts. Empowerment of communities will ensure sustainability of the whole environmental rehabilitation program.

It is believed that the lessons learned and experiences gained from such activities, in addition to the environment related policy issues generated from the community-based support program, will contribute to the review of existing policies and the formulation of better guidelines for the environment, resource management, land use and integrated watershed management with major implications for future environmental rehabilitation.

* * *

The overall RHPP SO results framework will be reviewed carefully and revised at the IR and sub-IR level, as appropriate, to explicitly reflect the importance of environment to achieving the objective. For example, IR 4 may be revised to refer to strengthening food, agriculture and environment research systems. Activities will be defined in close collaboration with partners and through the empowerment of communities. In addition, as the SO team prepares the Performance Monitoring Plan for the RHPP SO, indicators at the IR and sub IR level will be jointly defined with AFR/SD and G/ENV to better reflect the role of environmental interventions and results. For example, the number of people adopting appropriate practices or the areas where adoption takes place may be included as IR 5 indicators. These indicators are directly related to the expanded utilization of appropriate practices, which will help mitigate environmental degradation.

Environmental Activities Under the Mitigating the Effects of Disaster (MED SO) recommended funding scenario,

The Mission has a strong, well-documented commitment to integrate Title II non-emergency food aid programs into the strategic objectives. USAID/Ethiopia's Food and Humanitarian Assistance Office (and the MED SO team) will be responsible for overall management of these activities. The high funding scenario provides the resources necessary to alleviate suffering and save lives through the development of sustainable water resources, management of micro-catchments and other necessary soil and water conservation interventions. These will be further enhanced in the conflict-affected areas through the proposed Ethiopian-Eritrea Border Development Fund in the recommended funding scenario.

In all resource scenarios, USAID/Ethiopia's Title II partners will continue their soil and water conservation interventions in drought affected areas. These include forestry programs, water harvesting, organic soil fertility improvement programs, and potable water supply and sanitation. Title-II supported environmental activities are designed to have a direct impact on household food security.

Education

Issue 3: What additional resources might be available to support the BE SO?

Discussion: Participants suggested several potential additional funding and/or technical assistance resources, e.g., the International Foundation for Education and Self Help (IFESH), the Association of Development of Education in Africa (ADEA), the Education for Development and Democracy Initiative (EDDI), and non-project assistance, if available. It is important to note that the host government will invest substantial resources for teacher development. Other donors also play a significant part.

Action. In the Addendum, USAID/Ethiopia will reference these sources, and explain how they would contribute to the ISP.

Mission Response:

Recent years have seen better communication and coordination between multilateral and bilateral donors. Teacher education is a high priority area for the government of Ethiopia, and it can be safely assumed that resources allocated by the GFDRE to this sector will be higher than earlier years.

Other sources include the following:

- International Foundation for Education and Self-Help (IFESH): This is a non-governmental US Organization engaged in capacity building in Africa through the deployment of qualified and experienced American volunteer teachers. About 10 volunteers per year are assigned to higher level teaching institutions covering several sectors. Similarly, we are working closely with the British VSO and certain Korean volunteers (in the absence of Peace Corps) especially in the area of strengthening teacher training institutions and ICT. We are supporting PACT as they work with NGOs in education, especially in providing alternative education opportunities to children in disadvantaged situations.
- The Education for Development and Democracy Initiative (EDDI): \$2 million is already in the pipeline for the next three years. Funds will support activities to enhance female education, create linkages between Higher Education Institutions in the US and Ethiopia, and search for/develop alternative delivery mechanisms for primary education. It is our understanding that additional funding will not be provided, although there may be a possibility for additional scholarship monies. We have also benefited indirectly from EDDI underwriting the shipment of a number of container shipments, providing much needed reference books and supplementary reading materials. We would hope this support would continue.
- Support to Analysis and Research in Africa (SARA), "the management arm" of the HHRAA Project (Health and Human Resources analysis for Africa).

- HIV/AIDS: We anticipate utilizing additional HIV/AIDS funding as part of our future strategy. We already have a number of activities underway to finance through EDDI as well as under BESO 1. We hope to expand these using these funds. Dr. Arletty Pinel had been out to USAID/Ethiopia with our HPN team, and left a report with a number of options. We anticipate bringing additional expertise from AFR/SD to assist us in developing a coherent strategy and push for synergies under our HIV/AIDS cross cutting strategy.
- Non-project Assistance (NPA): Out of the \$50 million NPA in BESO I, \$16 million has been disbursed. \$15 million remains undisbursed. \$19 million is mortgaged. The NPA is on hold at the moment. It is presently uncertain how much of this funding can pass to BESO II. If available, USAID/Ethiopia would leverage reforms in the following areas:
 - ◆ increase resources (especially non-salary and other) to schools,
 - ◆ increase resources to teacher development,
 - ◆ provide a rational career ladder and incentives for teachers,
 - ◆ enhance the environment to empower communities to effectively manage their educational development, and
 - ◆ encourage the expansion of alternative approaches to education.
- Association for the Development of Education in Africa (ADEA): We are uncertain how ADEA assists education here in Ethiopia. We understand that there is a connectivity initiative, but requests for additional information have not been answered. We will proceed with our own support through BESO to enhance the use of appropriate technologies, including IRI and Internet. We will explore ways in which the ADEA working group on books and learning materials could assist with improving textbook distribution systems.
- Global Food for Education (FFE) Initiative: We do not anticipate FFE to substantially impact on the BESO strategy. However, there is a clear need for FFE programs similar to the ongoing WFP project. Reviews of that project have been positive, showing that FFE can strengthen efforts to have better nourished children who are able to perform better in school, and can reduce retention rates. We will continue to explore ways of in which FFE can complement BESO work.
- Private Sector Involvement: A policy environment supportive of private sector involvement in education is developing. While rural areas will probably continue to see an NGO focus, there is an interest for private investment in the urban sector. Currently the government is undertaking a four month study on cost sharing, conducted by IRG with World Bank funding. The involvement of the private sector in primary and secondary schools will increase as parents search for quality schooling in the overcrowded public schools of the urban areas. Increasing investment in pre-school and kindergartens is also evident. This is an area for continued dialogue between donors and the government.

Democracy and Governance

Issue 1: What is the central DG problem in Ethiopia, and how does the DG SO address this problem?

Discussion: USAID/Ethiopia has aligned its strategy with the Mission Performance Plan's support of Ethiopia's constitutional experiment with federalism. Decentralization is an important component of this emerging political system. USAID's support to the Civil Service Reform Program contributes to both decentralization and financial transparency. By addressing specific elements of reform within the GFDRE -- such as training within the judiciary and the budgeting process, accounting, cash management, and planning through the Civil Service Reform Program -- the Mission is directly supporting lower-level governance issues that can have a significant effect upon shifting political will, increasing transparency, and generally supporting the decentralization process. Also, the decentralization process strengthens the Ethiopian political system and supports political pluralism by injecting more competition into the system and increasing the voices of regional and local authorities.

Action: In an Addendum to the ISP, the Mission will describe how its strategic choices and proposed interventions address the broader political issues at stake in Ethiopia, especially decentralization. The Mission will address the following questions posed by G/DG and AFR/SD/DG:

1. How does the GFDRE's decentralization programs help to mitigate the potentially divisive and destabilizing consequences of federalism and differences/inequities among the Ethiopian nations?
2. How does the decentralization platform expand political space and increase political competition in Ethiopia?
3. What are the powers and authorities of the regional governments, and how are the regional governments exercising these powers and authorities?
4. What other components of the Civil Service Reform Program are the other donors supporting and what are the other donors doing to support transparency more broadly?
5. What is being done to institutionalize the judicial training program?

Mission Response:

Relationship of D/G to Food Security

Food shortage in Ethiopia has been periodic and chronic. Hence the long term goal of the ISP is "to reduce chronic food insecurity in Ethiopia." The relationship overall of our proposed Democracy and Governance Strategic Objective (DG SO) to the goal to ameliorate food insecurity is clear and direct. Economic growth (with the creation of jobs and assets at the household level) is the primary means by which food security can be enhanced. Good governance, effective and transparent use of public resources and the efficient administration of justice are critical to the enabling environment for economic growth.

More specifically, the DG SO results framework contributes to the Mission's long term goal "to reduce chronic food insecurity in Ethiopia" in two important ways: Research by Amartya Sen and others suggests that famines tend not to occur in successful democracies. By assisting with the consolidation of Ethiopia's democracy, including a wider role for civil society, USAID will strengthen the demand side of the equation, contributing towards creating a society which will not tolerate a government which allows continued food insecurity. By supporting activities that encourage the more effective use of public financial resources, USAID will enhance the ability of the Government to deliver on the supply side of the equation. To manage chronic food shortage the Government must significantly improve its capacity for management of both domestic and external resources. Ethiopia's federal system requires management at both the Federal and Regional levels. USAID/Ethiopia's Decentralization Support Activity (DSA) is dealing with the reform of the core financial management including planning, budget, accounting and cash management. The introduction of a three-year financial planning cycle, Public Investment Program, and Public Expenditure Program will prepare the Government to forecast the requirements (including chronic, recurring food insecurity) and ensure that there is provision well in advance to meet the requirement.

Such strategic expenditure planning will lessen the burden of the allocation process so that the Government will not be forced to reallocate resources from ongoing development activities and disrupt their implementation.

The challenges to the consolidation of democracy in Ethiopia are many. The particular areas of activity which the Mission proposes were identified through a process which took into account:

- USAID Agency Goals and Objectives,
- The MPP (including the political analysis on which it was based),
- GFDRE priorities, and
- Comparative advantage identified on the basis of past successful experience.

Of these, comparative advantage weighed most heavily. Following the downfall of the Derg, USAID support for democracy and governance in Ethiopia has become increasingly focused. The proposed IRs and illustrative activities build on three areas of successful endeavor which were validated in an evaluation completed in 1997 – the year immediately before the current ISP process began. Each of these is an area where progress has been achieved but where the work remains unfinished. With regard to work on the judiciary and in support of decentralization, the proposed activities respond to specific requests from the GFDRE. USAID has received numerous requests from civil society organizations for continued work with civil society. In each IR area, USAID has a role recognized by other donors, which have designed their activities in a manner which complements, and in some instances relies on, USAID activity. Given the likelihood of severe resource restraints it was not deemed appropriate to launch out into new activities while leaving others incomplete. Nor was it deemed appropriate to make the demands on USAID financial resources and host government time to conduct an evaluation *de novo*.

With regard to the specific questions which were addressed to the Mission in the Issues paper:

1. How does the GFDRE's decentralization program help to mitigate the potentially divisive and destabilizing consequences of federalism and differences/inequities among the Ethiopian nations?

Ethiopia has introduced the devolution³ type of decentralization, assigning political and administrative responsibility to autonomous Regional States. This involves strengthening the partnership between the center and the periphery, and promotes building local accountability. Decentralization should be extended as far as possible, with a view to improving management and accountability.

In the eyes of the GFDRE federalism and democratic decentralization are potentially the strongest antidotes that Ethiopians have been able to create to the divisive and destabilizing potential in Ethiopia. The Embassy and USAID/Ethiopia accept the validity of this assessment. (See Annex 4 of the ISP, Conflict Vulnerability Assessment). Ethiopian federalism is designed to counter division and instability. An important focus is to strengthen the capacity of less developed regions (and sub-regional levels of government) to make effective use of resources. Financial allocations to regions from the federal government are based on a formula which recognizes need. At present the major problem for the less-developed regions is limited absorptive capacity more than lack of resources. Decentralization programs directly address this problem.

Regions like SNNPR, Amhara, and Oromia are multi-ethnic themselves. Regionalization extends from regions down to districts (*woredas*). Some regions, in fact, are currently issuing block grants from regions to zones to *woredas*. As regions, zones and districts have greater capacity, the practice of issuing block grants will expand. Regionalization, devolution to sub-regional levels including *woredas*, maximizes the value of decentralization practice in promoting local management and accountability. Improved accountability of government at the most local levels will contribute to stability at the grassroots, and limit the development of de-stabilizing situations.

2. How does the decentralization platform expand political space and increase political competition?

The decentralization platform has had its impact on regions becoming more self-reliant. Some regions have made better use of the process, and therefore the degree of development from region to region varies. More highly developed regions, both in human capacity and experience, have begun to share experiences with the less developed regions. Regions are now on a more equal footing in competing for favorable investment climates to aid the socio-economic transformation.

³ As opposed to *de-concentration* – assignment of administrative responsibilities through local branches of a central ministry or *delegation* – assignment of administrative tasks to private or non-governmental organization

Regions have also begun to show more independence in some crucial policies that the GFDRE follows, e.g. the land policy has been directed to ensure ownership for peasants in Amhara Region. It is possible that other regions will follow suite.

Opposition parties have gone from a bare presence to 68 seats in the national parliament and have won seats in all regions but Tigray. In the SNNPR, the Southern Ethiopia Peoples Democratic Coalition, an opposition party has won a significant number of seats (12%) at the SNNPR Regional Council. Opposition groups in the federal and regional parliament have made significant progress in the process of democratization.

The ruling party organized discussion forums with the opposition parties in November 1999 and April 2000. Opposition parties had the opportunity to air their policies on many issues such as the land system in Ethiopia. They also brought to the table their programs indicating differences with the incumbent party on social (education and health), economic investment trade policies, and political issues such as ethnic federalism in Ethiopia. These discussions, which were also extended to the regions, had helped many Ethiopians to hear alternative political policies from the opposition groups. Therefore, it is hoped that this kind of dialogue with the opposition parties would bring about an attitudinal acceptance to tolerate diverging ideas in the country.

In general, where regional and sub-regional governments work better and more autonomously, they become more accountable to their constituencies. For example, a stable, literate population is less easily taken advantage of and more likely to demand accountability from their local leaders. Where distances are vast and communication links incomplete, the resting of greater power and responsibility at the local level reinforces and makes possible this demand for greater accountability. The demand for better governance will result in expanded political space and increased political competition. There are already signs of increased competition for regional and local government electoral positions.

3. What are the powers and authorities of the regional governments, and how are the regional governments exercising these powers and authorities?

The new Constitution clearly marks the powers vested in the Regional States:

- The Regional Council (regional parliament) has the power to draft, adopt and implement the State Constitution.
- The State Administration is the highest organ of the executive power in the region.
- The State judicial power is vested in the state courts.

The Constitution further defines that the federal government respects the power of the Regional States. The Regional State Government sets its budgets and policies, and plans, implements and regulates programs within the region, in coordination with Central Ministries. Regional governments and sub-units hire and fire their own personnel.

Hence, Regional States have established administrations that advance local autonomy and self-government, a democratic order based on the rule of law.

In the initial years under the new federal constitution, some difficulties surfaced because there was little knowledge and lack of experience with a federal system. For some of those in authority, accepting the devolution of power was difficult, and there was little clarity on how to coordinate responsibilities between the federal and regional governments.

Currently regions operate independently and comfortably. Regional Councils (parliaments) make their own decisions on pertinent issues such as policy and budget. The executive, i.e., the regional government, implements and reports to the Regional Council. Coordination between the Federal and Regional Governments has been improving in recent years

Recent studies have concluded that a critical public resource constraint is utilization. (See Annex 4, Conflict Vulnerability Assessment). For historical reasons, regional governments vary widely in their capacity to plan and implement development programs. Even in regions with greater capacity, trained and experienced officials are in short supply. Hence, USAID has included capacity building as a cross-cutting theme in the ISP and capacity building intermediate results are included under other strategic objectives.

4. What other components of the Civil Service Reform Program are the other donors supporting and what are the other donors doing to support transparency more broadly?

The CSRP has five sub-programs, which have received -- or are in the process of receiving -- support from various donors. These include:

- Human Resources Management, supported by UNDP.
- Expenditure Management, supported by USAID and the UNDP with potential support from the EC, DFID, Finland and Ireland (in subcomponents which complement USAID's DSA). USAID is acknowledged both by the GFDRE and other donors to be the lead donor in this area. As the accounting, budgeting, and financial policy reforms being supported by USAID are completed, other donors are expected to support sub-components of the Expenditure Management subprogram which mesh with them. For example, the European Commission is expected to support new Financial Information Systems, which embody the new policies, and Finland is interested in supporting the external audit function.
- Service Delivery, supported by UNDP. Additional funding being sought.
- Top Management System, currently no donors are supporting this component.

- Ethics, some support from CIDA. The World Bank is involved in anti-corruption activities.

Taken together, these CSRP sub-programs will work together to improve government transparency and accountability. More broadly, an array of donors (e.g., CIDA, UNDP) stand ready to assist with the Ombudsmen and the Human Rights Commission, for which legislation has been passed and which are expected to be established in early 2001. The GFDRE has recently established a Federal Ethics and Anti-Corruption Commission.

Why should USAID support the Civil Service Reform Program?

The CSRP is a high priority for the GFDRE. Not only has the GFDRE issued several key policy documents articulating its commitment to this reform agenda, but it has demonstrated its political will by such actions as adopting a new budget calendar and chart of accounts. Successful institution of these reforms will have positive effects on the successful and efficient implementation of all SOs, and will contribute to overall stability. In a broader context, the CSRP is at the heart of the Poverty Reduction Strategic Plan (PRSP) which is the basis for debt relief and IMF/World Bank loan programs. As the primary donor to the effort, USAID supports the foundation of GFDRE development initiatives.

Given the USAID progress and investment to date, it is important that we complete the task we have set out to do. The development of a federal budget and accounts system is paramount and complex. If USAID and its implementer do not complete the task, the current reforms would be stopped in midcourse. It would be several years before the current momentum could be regained and there would be a risk that progress to date would be lost since it is doubtful that another donor or implementer would follow the same approach (European financial structure and standards are different from those of the U.S., for example.) If USAID stops short its program, government accountability would be set back for some years..

5. What is being done to institutionalize the judicial training program?

The new Constitution for the first time clearly identifies the Judiciary as separate entity. To this end, with remarkable support from the GFDRE, the Judiciary has been reorganized, and at every level of the judicial institutions, i.e. federal, regional and zonal. In all the regions Judicial Administration Commissions have been established. The Federal Supreme, High and First Instance Courts have a nine-man Judicial Administration Commission, as well. These JACs are independent of each other and decide on the appointments and expulsions of judges, including requesting budgets from the federal and regional councils, respectively. Hence, the Judiciary, for the first time in the history of Ethiopia, is independent---although the judiciary still has to struggle for its independence and for a fair share of the financial pie.

The GFDRE is committed under the CSRP and the Interim Poverty Reduction Strategy Paper (I-PRSP) to a trained judiciary. USAID has assisted the establishment of a Judicial Training Center that institutionalizes within the federal court system training for the

professionalism of the bench. Since the judiciary, as well as experts outside the bench, has identified the institutionalization of training as central to strengthening the rule of law in Ethiopia, USAID will support the completion of the remaining work to establish this institution.

Concluding Comments on DG SO

The proposed IRs are embraced under an umbrella SO Statement “More effective governance and civil society developed.” The DG SO is intentionally broad in order to retain flexibility in the face of an uncertain resource and political climate and to permit the development of optimal synergies with other SO’s within the USAID portfolio, as well as leveraging the resources of other donors.

As the political and resource climate become clearer, the Mission DG Strategic Objective Team will welcome continued engagement with USAID/Washington, including the G/DG and AFR/SD in refining the proposed activities. Such engagement will be particularly welcome in the improvement of indicators.

HEALTH AND POPULATION

Issue 1: Given resources are severely limited to address HIV/AIDS in Ethiopia, what resources are available for USAID to support a comprehensive, multi-sectoral approach? Is USAID/Ethiopia in a position to assume the much needed leadership role to provide direction and guidance to donors and implementing partners? How is USAID coordinating with other donors and what role do they play in the larger donor community?

Discussion: The ISP describes how USAID/Ethiopia intends to address the impact of HIV/AIDS in all five of its strategic objectives. To achieve the proposed objectives, USAID/Ethiopia requires the necessary financial resources to do so. With funding resources for HIV/AIDS limited in FY 01 relative to the Mission’s recommended level of funding, the group identified several potential alternative sources of funding. Given Ethiopia is considered an “Intensive Focus Country” under the Life Initiative Fund, it may receive priority for additional HIV/AIDS assistance. BHR food aid may be given to enhance community care and support. USAID money for orphans and a \$15 million earmark for vulnerable children may also be used to support HIV/AIDS programs for children. USAID/G offered support in the form of planning, surveillance and CDC assessments. In addition, funds under all SOs have been earmarked to support HIV/AIDS. The Mission is well positioned and interested to assume a leadership role among key players in Ethiopia.

Action: USAID/Ethiopia will provide a clarification in an Addendum to the ISP to describe the order of magnitude of other donors, and the constraints they face.

The magnitude of donor funding is given below:

These levels are expected to change as additional donors engage in HIV activities. With greater political commitment to HIV-AIDS, the GFDRE has set up a National AIDS Council and Secretariat that will manage and coordinate the Ethiopian response to the epidemic. The setting up of these systems, however, has created uncertainty as to whether donors should seek support and concurrence at the MEDaC level for country programming in HIV-AIDS or whether the donors need to seek approval from the newly appointed Council and Secretariat. While the roles and responsibilities of these two bodies have yet to be fully detailed, the World Bank loan of USD \$62.5 million is shaping the HIV-AIDS national program and many donors have not been consulted on this process. While the UN Working Group on HIV-AIDS is well represented, the GFDRE participation is limited. Of the donors currently working within the HIV sector, USAID and UNICEF are the two donors with the ability to respond rapidly to country requests. USAID and UNICEF co-funded the national VCT workshop that set protocol and guidelines for VCT services within the nation. Interventions with high-risk populations and HIV activities with faith based organizations are universally known as USAID's domain and are well received by local government and counterparts.

Funding Agency	Commitments up to Year 2002 (in millions of dollars)
Irish AID	0.49
UNFPA	3.1
UNICEF	2.0
Belgium	0.86
The Netherlands	5.8
WHO	0.26
Germany/GTZ	0.77
World Bank	62.0

Issue 3: The ISP requests \$40-\$120 million (based on several scenarios) to support a list of activities. What are the Mission's priorities given budget constraints? What activities will be cut if the Mission does not receive its requested funding? To what extent will the ISP focus on community-based care and support?

Discussion: The ISP focus is on enhancing preventive measures which target high risk populations and providing community based care and support. If the requested funding is not provided, USAID/Ethiopia will not comprehensively impact HIV/AIDS services with other SOs. The level of funding will determine the intensity to which the Mission supports its proposed activities.

Action. In the Addendum, USAID/Ethiopia will expand on its plan to enhance community-based care and support.

Mission Response:

One of the critical components of the USAID HIV/AIDS response is to provide appropriate care and support to persons and families affected by HIV/AIDS in a home- and community-based setting. Faith based organizations (like the Ethiopian Orthodox Church and the Islamic Supreme Council) as well as NGOs (like PACT) currently engaged in the care of people affected by AIDS will be supported and strengthened. While it is important to increase the scope of the care and support activities, as the number of AIDS orphans and families increases, it is also important for USAID to be sensitive to the particular cultural and social nature of the on-going activities and incorporate these into the broader activities to be funded under ESHE II. Linking community-based care and support activities with USAID Title II programs will also be explored.

Issue 4: The latest GAO audit requires Missions to report in detail on specific program indicators e.g., impact, changes from year to year, performance monitoring.

Action: USAID/Ethiopia Health Officers, USAID/G, and AFR/SD will review the ISP and provide additional details in an Addendum, if necessary, to ensure health indicators abide by new GAO requirements.

Mission Response:**Revised indicators for ESHE II:**

The USAID/Ethiopia ESHE II SO team leader met with USAID/G and AFR/SD on December 1 and agreed on the following revised indicators for ESHE II. These indicators abide by the new GAO requirements.

ESHE SO level Indicators: The new indicators will be as follows:

1. Stunting (Height for Age) among children 6 - 24 months in focus areas decreased.
2. Contraceptive Prevalence Rates in focus areas increased to > 25%.
3. Condom use in last risky sex act increased.

IR level Indicators:

IR 1: Mission will clearly define “appropriate” feeding with the help of G/PHN and AFR/SD.

Sub IR level Indicators:

- TB: Number of districts with DOT (Directly Observed Treatment) in the focus area.
- Polio: Reduction in the number of AFP (Acute Flaccid Paralysis) cases in the focus area.

IR 2: Reproductive Health – Taking into consideration G/POP comments, the indicator “percent attended births by trained professional in focus regions” will be deleted. The

Mission will initiate pilot activities to inform the next ISP, when these activities in safe motherhood will be taken to scale.

IR 3: Instead of PES (Policy Environment Score) the AIDS Program Effort Index (API) will be used. The condom use indicator has now been moved to the SO level.

IR 4 remains unchanged.

Issue 5. What is the Policy Environment Score (PES), what does the PES measure, and what progress can be made in the ISP time frame?

Action: In the Addendum, USAID/Ethiopia will articulate how it will measure the success of the HIV/AIDS program.

Mission Response:

The success of HIV/AIDS programs can be affected by many factors including political commitment, program effort, socio-cultural context, political systems, economic development, and resources available. Many programs track low-level *inputs* (e.g., training workshops, condoms distributed) or *outcomes* (e.g., percentage of acts protected by condom use). Measures of program *effort* are generally confined to the existence or lack of major program elements (e.g., condom social marketing, counseling and testing).

UNAIDS, USAID and the POLICY Project have collaborated to develop a score, called the AIDS Program Effort Index (API), that measures the key high level inputs by national programs and international agencies. The purpose of the API is to measure the amount of effort put into national HIV/AIDS programs by domestic institutions and by international organizations.

There are many uses for scores that measure program effort independent of output. At the global level, an effort score can be used to analyze the independent contribution of program effort to program success in a variety of social and cultural settings and the relative contribution of international organizations. At the country level an effort score can be used to compare the national effort (where national refers to all domestic inputs including central, regional and local by both governmental and non governmental organizations) against that of other countries with similar settings or problems. The scores can also be used as a diagnostic tool, to indicate which program areas are weakest and which are strongest and to suggest corrective action. A similar program effort score for family planning was first developed in 1972 and has been applied to approximately 100 countries in 1972, 1982, 1989, 1994 and 1999. The results have been used for a wide variety of country applications as well as global research.

During the past five years the POLICY Project developed a series of policy environment scores for HIV/AIDS, family planning, safe motherhood, adolescents and post-abortion care. The AIDS Program Effort Index (API) represents an extension of the AIDS Policy Environment Score. The AIDS Policy Environment Score survey was first carried out in Ethiopia in 1998. A second round was carried out in March 2000. Significant policy

developments had occurred between the two assessments and the overall score increased from 44.8 to 50.8. All of the AIDS policy environment indicators are included in the API, so that the numerical scores are comparable. The AIDS Program Effort Index (API) survey was carried out in April 2000 to serve as a baseline for the recently established National AIDS Council.

The target of an increase in the API to 75 by 2005 represents a substantial increase in both national and international efforts. This would represent a significant increase in effort measured in each of the 100 individual items grouped into eleven component categories, which include:

- Political support,
- policy formulation,
- organizational structure,
- program resources,
- evaluation, monitoring and research,
- legal and regulatory environment,
- human rights,
- prevention programs,
- care programs,
- service availability, and
- The role of the United Nations.

The differences in scores between these component categories will serve as a diagnostic tool for identifying and then correcting program weaknesses. The composite score represents the assessment of a group of 15 to 25 knowledgeable national and international experts of the progress made on the 100 individual items.

Issue 4: The ISP states that there is a cumulative \$18 million difference in POP funds between the base and recommended scenarios for the ESHE II SO. However, the ISP does not emphasize strongly enough that population growth is a major impediment to development in Ethiopia. Nor is there a sense of what additional outcomes could be achieved with recommended scenario. Furthermore, the ISP does not acknowledge the immense need and opportunities for policy dialogue with the government and civil society on population and reproductive health issues. The first ever Ethiopia DHS showed a substantial number of Ethiopian women and men expressed a desire to control their fertility in spite of the high fertility rate. (Nearly 1/3 of women and men want to limit the number of children and about 35% want to space their next child by at least 2 years). Clearly, there is scope to increase efforts in family planning, particularly at the policy level. It is recommended that the Mission seize this opportunity and intensively engage host country counterparts in identifying some population/RH related objectives in the upcoming sector strategy for RH.

Action. In the Addendum, USAID/Ethiopia will describe the context of the population-age structure and growth rate and the impact on development in all sectors. The Mission

agreed that there is a need and scope for increasing attention in this area and will describe the additional impacts to be gained if approved for the high budget scenario. After approval of the ISP, the Mission will describe how it will expand HIV/AIDS policy efforts into population/RH and define some expected policy outcomes in the RH sector strategy with G/PHN assistance.

Mission Response:

Ethiopia is the second most populous country in sub-Saharan Africa with a population of over 64 million. Demographic development in Ethiopia has been spectacular during the last three or four decades. Moderate declines in mortality combined with high and rising fertility have resulted in accelerated population growth since the 1950s. Ethiopia had a population of less than 20 million in 1950. Today, its population has increased by more than three-fold and is still growing at the rate of 2.6% per year.

It is likely that the population will continue growing for the next fifty years or so even if fertility drops immediately to replacement level. This is not because of declining mortality rates but because of what is known as population momentum, which refers to the in-built tendency for a population to continue growing because of a youthful age structure. As the high proportion of children under 15 years grow and enter the reproductive ages, the cohort of childbearing age will continuously increase in size and produce more children even with a declining number of children per woman. Currently 45% of Ethiopian's population is below the age of 15.

According to the DHS, total fertility is still high at about 5.9 children per women and there is no sign of a rapid decline to replacement level in the near future. This suggests a very high potential for future growth. With the current population growth rate, Ethiopia's population will reach over 100 million by 2020.

Population growth, its age and sex composition, spatial distribution, etc. are important factors in determining the present and future development needs of a country. Some of the likely implications of population growth on the socio-economic conditions of the country are described below.

1. Size of the Labor Force

The problems of unemployment and underemployment have beleaguered the Ethiopian society during the second half of the present century. There are currently thousands of school graduates who are without jobs. The situation progressively deteriorated during the Derg regime in the 1970s and the 1980s. As the economy and the society were brought under the total control of the state, there was very little room for employment generation through private sector initiatives. Unemployment in urban areas was 22% in 1994. Although, the situation is slightly improving due to the change from a centrally planned command economy to a market economy, the rapid rate at which the population is growing aggravates the situation.

The total economically active population is expected to grow at the rate of 3.6% a year, and the labor force size is expected to double in less than 20 years. Unless the economy grows and opportunities for employment increase in the same magnitude or more, the rapidly increasing labor force will put great pressure on employment and related resources.

2. Environment and Food Production

There is a vital relationship between population, environment and food.⁴ How people interact with the physical environment affects the viability of that environment and the capacity of that environment to sustain the population. In Ethiopia, population growth has contributed to deforestation, soil erosion and land fragmentation.

In Ethiopia, the primary source of household energy is fuel-wood (81%). Wood also constitutes a basic building material as almost all dwelling units are constructed from wood. This dependence on wood for cooking and construction, coupled with clearing of forest for farming, contributed to rapid rate of deforestation. Forest cover has decreased from about 40% of total land area around the turn of the century to only 2% at present. As a result of deforestation, soil erosion has increased and quality of soil has been deteriorating at an alarming rate. With the increasing population, more land will be cleared for cultivation and settlement, and more trees will be cut for fuel-wood and construction leading to more erosion and deterioration in the quality of land. Population density ratios in the central and northern highlands are increasing rapidly and there are now more persons per hectare of arable land than ever before. Traditional farming practices combined with decline in the quality of soil and ecological change has contributed to decline in agricultural productivity. Consequently, famines and potential famines have increased in frequency and severity. Poverty and destitution have become permanent features in this country. If current rates of population growth are maintained, the situation will get progressively worse.

3. Education

The rapid population growth resulting from high fertility and the young age structure has lead to a rapid growth in the school age population. The population of primary school age children (7-14 years) increased from about 7.6 million in 1984 to 11.5 million in 1994. At the current growth rate this section of the population is projected to increase to 14.3 million in 2004 and to 20.6 million in 2020.

In 1984, only 17% of the primary school age population attended school and in 1994, it increased to 24%. Although this is a significant increase, there remained a considerably large proportion of the school age population outside the educational system indicating a long way to go to reach the goal of universal primary education. Given the resource restraints, a reduction in the rate of growth of the school age population will greatly assist the attainment of the goal of universal primary education.

⁴ See also the discussion elsewhere in this addendum on food insecurity, environment, and population.

4. Health

Although health is an important part of the well being of a population, in Ethiopia, health service coverage is very limited, and the population is characterized by ill health. It is estimated that more than 50% of the population has no access to basic health services. With a rapidly increasing population, even maintaining the same unsatisfactory level of health care coverage requires regular, significant increase in facilities, personnel and funds. Given current population growth rates, improving the health status of people and extending full health coverage, will pose a real challenge.

To sum up, in countries like Ethiopia, where resources are limited, the achievement of important development goals such as food self-sufficiency, universal primary education, access to health services, increasing labor productivity, creating employment opportunities and improving the status of women, etc., heavily depend on a slow rate of population growth. If the high funding scenario is approved, USAID will be able to implement programs resulting in slowed population growth, enabling a more rational utilization of resources and to an improvement in the welfare of the people. The mission has already modified POLICY project's annual workplan to look at opportunities to dialogue on RH issues.

Issue 8. Although the indicator that HIV prevalence among young pregnant women in urban and peri-urban areas will be reduced by almost 35% conforms with the Agency's goals, it is ambitious.

Discussion/Action. The Mission was advised to contact USAID/G/HIV-AIDS for further discussion on this indicator and submit a revised indicator in the Addendum, if necessary. The Mission in coordination with AFR/SD and USAID/G will also review existing indicators (at both the SO and IR levels) and revise as necessary to more effectively demonstrate progress and impact within the SO. The Mission will propose an updated set of indicators (and possibly sub-indicators), and a table illustrating the integration of crosscutting themes among all SOs. The ADS does not require indicators at the Mission goal level.

Mission Response:

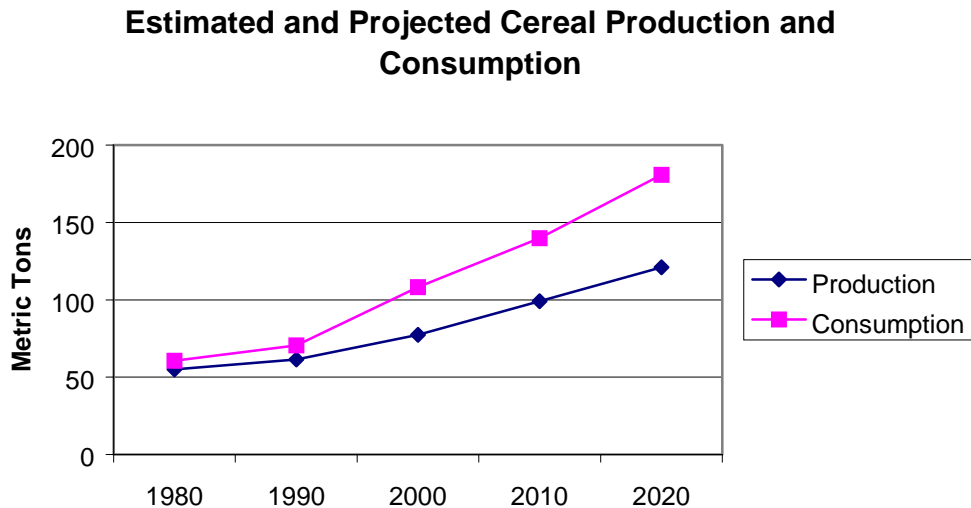
Currently HIV prevalence among young pregnant women has been moved to the goal level.

Integration of the Nutrition Cross-Cutting Theme across all SOs:

Objective	ACCESS	AVAILABILITY	UTILIZATION (Nutrition)
<u>ESHE-II SO</u>		<ul style="list-style-type: none"> Decreased population growth aimed at parity with food production 	<ul style="list-style-type: none"> Enhanced consumption of micronutrients (Vit. A, iron, iodine) to increase biophysical utilization Pre-and post-natal counseling (maternal nutrition, weaning) Decreased morbidity due to improved preventive and curative services
<u>BE SO</u>	<ul style="list-style-type: none"> Increased educational attainment to improve income-earning potential Emphasis on girl's education to assure women's access to employment/income 		<ul style="list-style-type: none"> School health and nutrition program, including possible de-worming
RHPP SO	<ul style="list-style-type: none"> Strengthened agricultural & output markets will rationalize price among all players Income diversification among vulnerable households 	<ul style="list-style-type: none"> Agricultural research & extension systems strengthened Strengthened agricultural & output markets will increase demand for and thus stimulate local production 	<ul style="list-style-type: none"> Home agents' nutrition programs
MED SO	<ul style="list-style-type: none"> Increased adoption of mitigation measures against man-made and natural disasters Strengthened national and local capacity for timely disaster response 	<ul style="list-style-type: none"> Strengthened early warning systems Emergency food aid distribution in to vulnerable populations 	<ul style="list-style-type: none"> Primary health care, other interventions in emergency situations
DG SO	<ul style="list-style-type: none"> More rational public sector resource allocation Strengthened civil society for socio-economic stability 		
STI SO	<ul style="list-style-type: none"> Pastoralist & agro-pastoralist incomes diversified, increased Effectiveness of traditional dispute mechanisms increased 	<ul style="list-style-type: none"> Pastoralist production (e.g., livestock) increased 	<ul style="list-style-type: none"> Maternal & child nutrition interventions

PART II: ERRATA SHEET

1. Replace figure “Estimated and Projected Cereal Production and Consumption” on page 2 with the following:



3. On page 10, Section 1.3.3., the sentence beginning with “Almost half the people are Muslim....” should read:, “As of 1994, an estimated 51% of the population in Ethiopia was Ethiopian Orthodox and 33% were Muslim, and about 10% were Protestant and others, 6%.” This agrees with the percentages indicated on page 1-4 of Annex 1 of the ISP.
4. On page 19, the correct estimate for the percentage of Ethiopian primary school age children enrolled in school is 45% (not 24%) in 1998/1999.

Clarifications:

5. The first bullet in section 1.1.1 of the ISP should read, “Population will grow from an estimated 64 million in 2000 to 83 million **by 2006** notwithstanding the impact of HIV/AIDs.”
6. The sentence in section 2.1.5. on page 21 should read, “ By the year 2006, the percentage of vulnerable people with critical needs met will increase, **malnutrition** status of children under five in emergency sites will decrease, and the percentage of households in target areas that are able to maintain their core productive assets during a crisis will increase, enabling families to protect or resume their productive livelihoods.”

7. The sentence in paragraph 3 on page 26 should read, “ The STI SpO addresses chronic food insecurity in one of the most food-insecure **areas** in Ethiopia.”
8. The sentence in paragraph 4 on page 115 should read, “ We consider \$265 million in DA/CS to be the floor for the program, with approximately \$471 million in DA/CS being a more optimal allocation for maximizing results under the present SO structure.”
9. The sentence in paragraph 1 on page 116 should read, “ While future emergency allocations of Title II, USDA 416b, and OFDA IDA resources are not predictable, we anticipate at least \$394 million more will be needed between 2001 and 2006.”
10. The sentence in paragraph 6 of page 2 of Annex 4 should read, “ In September 2000, USAID Ethiopia submitted a “Contingency Plan for Rehabilitation of Conflict Affected Populations and Areas in Northern **Ethiopia.**”
11. This Addendum to the ISP should be included on the list of Annexes preceding Annex I. It is intended to be distributed as part of the ISP.

PART III: ENVIRONMENTAL ANALYSES⁵

FAA 118/119 REQUIREMENTS: ANALYSIS OF TROPICAL FOREST AND BIOLOGICAL DIVERSITY (TFBD) CONSERVATION

A. Summary.

The following bullets summarize the results of the Mission's analysis of the broad actions necessary in Ethiopia to conserve biological diversity and achieve conservation and sustainable management of tropical forests, and the extent to which the actions proposed for support by the Agency meet the needs thus identified. The text amplifies these points and the progression for arriving at the conclusions.

- Tropical Forest-Biological Diversity (TFBD) conservation constraints are great, as a result of intense pressure from high-density rural populations farming on highly fragile and degraded land. The problems are exacerbated by a weak regulatory and monitoring capacity and household food insecurity due to recurrent drought and the lack of alternative employment.
- Economic growth, watershed management, and stronger community commitment to conservation can reduce or stop encroachment and further destruction of the TFBD.
- Integrated Resources Management (IRM), particularly in the context of watershed management, offers the best hope for long-term economic growth and increased household food security.
- Sustainable management of Ethiopian water resources must include attention to all sectors within the catchment area.
- As not all sectors within the catchment area are currently being sustainably managed and the rate of degradation is increasing, USAID has determined this be a high priority TFBD intervention.
- As the numbers of sustainably managed catchments increase, downstream watershed management will become increasingly important.
- USAID will initially focus on research activities to develop integrated sustainable watershed management techniques that can be replicated in Amhara, and eventually, in other regions.

This analysis combines FAA 118 and 119 requirements into one. A summary of all illustrative activities of the USAID/Ethiopia FY 2001-2006 Integrated Strategic Plan (ISP) showing anticipated Initial Environment Examination (IEE) determinations and indication of their possible impacts on TFBD conservation is provided on pages 11-15.

⁵ This section of the Addendum replaces Annex V, Environmental Analysis, of the USAID/Ethiopia Integrated Strategic Plan, FY 2001-2006..

B. Background.

Natural forests once covered over 40 million hectares (ha) of Ethiopia's total land area of 120 million ha. Best estimates indicate that in 1989 natural forests had been reduced to 2.7 million ha. The annual loss of natural forest cover has been estimated to be 150,000 to 200,000 ha. In recent years deforestation was particularly severe due to clearing for agriculture, grazing, illegal cutting for timber, fuelwood gathering and a breakdown in forest management as a result of the civil war. It has been projected that, if the present rate of deforestation continues, the area covered by natural forests in 2010 will be reduced to scattered minor stands of heavily disturbed forests in remote parts of the country.

This severe reduction in forest cover impacts on other sectors in Ethiopia, as follows:

Agriculture. The impact of deforestation on agricultural production appears to be substantial. This is despite the fact that not all losses in agricultural production due to land degradation and soil erosion can be attributed to the diminishing forest cover. Earlier studies, such as the Ethiopian Highlands Reclamation Study of 1985, may have overestimated the production losses due to land degradation, but more recent studies confirm the seriousness of the situation. According to a 1991 report of the National Conservation Strategy Secretariat the combined impact from soil erosion and the burning of dung and crop residues on agricultural yields resulted in foregone cereal production of about 100,000 tons in 1990. This is equivalent to one fifth of an average year's grain harvest and would have been sufficient to feed over 4 million people. To the average farmer, the grain lost represented about 12 percent of his/her annual income. Production losses will increase as more cropland reaches the critical minimum soil depth at which productivity drops dramatically and production is no longer viable.

Water Resources. Water resources in Ethiopia are seriously affected by sedimentation and siltation. Deforestation together with poor agricultural practices and soil erosion increase surface run-off and reduce the amount of rainfall that infiltrates the soil and eventually percolates into groundwater aquifers. Lower levels of infiltration and water storage in soils affect the availability of water for human use throughout the year. Increased surface run-off leads to higher peak flows in stream and rivers causing greater flood damage. Where soils are better at retaining moisture, spring and river flows are extended and evened out. This is important for irrigation development. Soil erosion also leads to reduced life of storage dams due to siltation and may change the conditions for transport and hydropower production. Siltation, water infiltration and flow are not only important to the individual farms and cities in Ethiopia, but have considerable impact on the entire Nile basin.

Biodiversity. Deforestation and the associated land degradation threaten the ecosystem for flora and fauna and thus the conservation of genetic resources.

Ethiopia is an important regional center for biological diversity. A loss in biodiversity ultimately implies economic losses to Ethiopia and the world. In addition, the removal of vegetative cover reduces the amount of carbon that can be sequestered from the atmosphere. As the growth stock of Ethiopia's forestry resource base is depleted, its value as a 'carbon sink' is reduced.

Forestry. The Forest Action Plan estimated that in 1992 Ethiopia's forestry resources were capable of producing an incremental yield of 14.5 million sterres (cubic meter solid over bark), with wood products amounting to 13.8 million sterres (fuelwood 12.5 million sterres) and fodder of 0.7 million sterres. Actual harvests are determined by the demand for wood and woody biomass products, which comprise industrial wood, construction wood (poles and fence posts) and fuelwood. Based on assumed per capita consumption requirements, total requirements for wood in 1992 have been estimated to be 47.5 million sterres with the requirements for fuelwood being 45 million sterres. This amounts to a fuelwood deficit of 32.5 million sterres. This deficit is a main cause of the 'mining' of Ethiopia's forest resource base, i.e. the volume of wood harvested in a given period exceeds the sustainable rate (incremental yield). This leads to a reduction in the woody biomass growth stock and future incremental yields. Also, due to the lack of fuelwood, households increasingly use dung and agricultural residues for cooking and/or preparing fewer cooked meals. Although the relative importance of these two adjustments -- mining of the forest resources and changes in household fuel consumption patterns -- is difficult to quantify, it is certain that they directly or indirectly result in a deepening and widening of the incidence of poverty. High population growth aggravates the imbalance between demand and incremental yield by further increasing the demand for wood products. Additional adjustments in wood consumption become necessary implying further reduction in welfare, particularly among the rural population.

C. Description of the landscape.

Ethiopian vegetation is found in the following main phytogeographical areas:

- Afromontane vegetation dominates the mountain massifs either side of the Rift Valley;
- Sudanian influences are apparent in the western lowlands;
- Somali-Masai formations of eastern Africa occupy southern, southeastern, northeastern and Rift Valley lowlands;
- Sahelian influence exists in a small area in northern Eritrea.

Within these four areas, nine distinct major vegetation zones can be identified as:

Montane Formations:

Grassland and Ericaceous Bushland

Afromontane

Montane Evergreen forest (mainly dry evergreen Juniperus, Olea, Podocarpus forest, but also including mixed evergreen

and moist evergreen forest)

Afromontane

Lowland Formations:

Moist Lowland Forest	Sudanian
Combreraceous and other woodlands	Sudanian
Evergreen and Semi-evergreen bushland	Somali-Masai
Acacia-Commiphora Bushland and Thickets	Somali-Masai
Acacia Wooded Grassland and Deciduous Bushland	Sahelian
Semi-desert Grassland and Dwarf Shrubland	Sahelian
Stony Desert Vegetation	Somali-Masai

In the phytogeographical areas defined above, Afromontane flora overall are around 75 percent endemic, although many species occur on several widely dispersed mountains. For example, the trees *Juniperus procera* and *Hagenia abyssinica* occur in eastern Africa from Eritrea to northern Malawi. However, the long separation of these montane islands has led to a substantial number of endemic species on each. Most endemic vertebrates are highland species, comprising (at least) 28 mammals, 28 birds, 34 amphibians, and 6 reptiles. Future study will certainly increase these totals for most groups. Invertebrate fauna have not been studied substantially. However, limited knowledge from other African mountains indicates that endemism is likely to be high. Four additional centers of endemism in the highlands of Ethiopia can be identified. They comprise:

- the south-western center, which is characterized by endemics of montane rainforest and evergreen bushland such as *Afromomwn korarima* and *Cirsium dander*;
- the central plateau center, which contains deciduous woodland and montane grassland endemics;
- the eastern escarpment and southeast slope center, which has species such as *Spinduma oxycantha* in dry evergreen forests and bushlands; and
- the high mountains center, which contains endemics of ericaceous bushland and Afroalpine grasslands such as *Jasimum stans* and *Rosularia semiensis*.

The Somali-Masai and Sudanian areas contain flora and fauna that are likely to contain fewer country-specific endemics than the Afromontane. Whereas the Afromontane contains approximately half of the endemic species, the Somali-Masai and Sudanian elements contain one third. The largely Somali elements of the Somali-Masai region, which contains many endemics of restricted distribution, are shared by Ethiopia, Djibouti, and Somalia. For example, 48 species of *Commiphora* are reported to be endemic to the Horn of Africa, but only 4 of these occur in Ethiopia. Several species of ungulates and reptiles are also only known from the Ogaden and neighboring regions of Somalia. The Sudanian area with combreraceous and other woodland of western Ethiopian lowlands contain few endemic species to Ethiopia. However, these are regions virtually unexplored botanically.

In terms of agricultural resources, Ethiopia's biodiversity is one of the most important on the African mainland. Although a few other African countries have more species and a higher rate of endemism, none has greater genetic diversity of widely grown crop

species. Important regions for endemic species are the highlands with the Afroalpine and forest areas, the Acacia-Commiphora bushlands of the southeast, and the forests of the southwest. However, the continuing reduction in forest area and land degradation threatens the biodiversity and severely limits conservation efforts.

It should be noted that currently only basic information for the vegetation zones is available. Information on many details, such as species composition and ecological processes, is lacking. Nevertheless, the use of these vegetation zones makes it possible to identify important regions and representative ecosystems in need of conservation.

Genetic Diversity. Ethiopia is one of the most important countries in Africa with respect to endemism of wild native plant and animal species. It is estimated that 10 percent of Ethiopia's 5,770 species are endemic. The country has some 22 endemic mammals (8.5 percent of the total), 27 endemic species of birds (3.2 percent), 3 endemic species of reptiles (3.9 percent), 17 endemic species of amphibians (31.5 percent), and 3 endemic species of fish (4.0 percent). Of the flora some 1,150 species (approximately 20 percent) are endemic, although much research through collection and identification still needs to be done. The country also hosts a number of populations of non-endemic species, which are important breeding groups for the total world, or African population. Migrant birds use Ethiopia as an important resting and/or breeding place during parts of the year.

The Ethiopian highlands are one of the six cradles of primary plant domestication in the world. Of the sixteen major crops domesticated in the country, coffee, okras, and castor beans were uniquely domesticated in Ethiopia. There are at least 197 species of crops with important gene pools in Ethiopia. Crop types include grains, pulses, oil seeds, vegetables, tubers, fruits, spices, stimulants, fibers, dyes and medicinal plants. In addition, at least 25 plant families grow wild in Ethiopia, which are close relatives of crops. Such gene pools are of immense potential value in developing new crops or new varieties of existing crops. Ethiopia is also an important center of genetic diversity of forage species. Forty-six legume species, most of which are found in the highlands, are endemic. Of the 40 African species of *Trifolium*, 28 occur in Ethiopia, of which nine are endemic. With regard to native tree species, there are 14 species of potentially useful multipurpose trees and shrubs, 17 species for timber processing, and eight species of potentially high value hardwoods.

Biodiversity Conservation

Conservation of biodiversity includes conservation of ecosystems, that is the maintenance of more or less intact indigenous ecosystems, and the conservation of genetic resources, which comprises both *in situ* and *ex situ* conservation of species and genetic variation within species. Biodiversity conservation by government bodies has a shorter history in Ethiopia than in many other countries in eastern Africa. As in neighboring countries, the emphasis has been on conservation of 'wildlife,' meaning large fauna large mammalian herbivores, ostriches, crocodiles, and their predators) and, to a lesser extent, birds. It is probable that rural communities had (and to some extent still have) traditional resource

management practices, including some elements of biodiversity conservation. However there is little systematic documentation of such practices.

Until recently, the responsibility for conservation efforts in the Ethiopian government was almost entirely with the Ministry of Agriculture, Environmental Protection and Development (MoAEPD), particularly in the Natural Resources Conservation and Development Main Department (NRCD-MD). The four departments primarily concerned are the Ethiopian Wildlife Conservation Organization (EWCO), the State Forests Conservation and Development Department (SFCDD), the Community Forestry, and Soil Conservation and Development Department (CFSCDD). Additional responsibility lies with the Plant Genetic Resources Center (PGRC) of Ethiopia, which has a certain degree of autonomy, but is also within the NRCD-MD.

Ecosystem Conservation. Currently EWCO, SFCDD, and CFSCDD have responsibilities in the area of ecosystem conservation. EWCO's responsibilities with respect to ecosystem conservation include:

- conservation of representative ecosystems;
- conservation of endangered and endemic wildlife and habitats;
- management of wildlife conservation areas;
- research on Ethiopian wildlife;
- management planning for protected areas;
- integration of wildlife conservation with other forms of land use;
- management of economic returns from wildlife; and
- environmental education programs.

The major activity of EWCO is management of conservation areas. These areas were designated primarily on the basis of the distribution and abundance of larger wildlife species. Currently they include ten national parks, four wildlife sanctuaries, eleven wildlife reserves, and eighteen controlled hunting areas.

- The national parks are areas from which vested human interests are excluded and conserved for protection of wildlife and objects of scientific interest.
- The wildlife sanctuaries are established for special protection of a species or habitat that is endangered or threatened.
- The wildlife reserves and controlled hunting areas are commonly located around national parks and sanctuaries. They serve as buffer zones, which balance the continuing needs of larger wild animals with human pursuits. Regulated consumptive wildlife use (in effect, sports hunting) is allowed in controlled hunting areas.

Two additional categories, strict nature reserve and wetland reserve, are available, but have not yet been used by EWCO. Administrative staff is allocated only to national parks and sanctuaries, which cover approximately 32,000 sq. km. and comprise 2.7 percent of the country. Two national parks (Awash and Simien) are gazetted; all other conservation areas await legal definition. Bale and Simien National Park Management Plans have been written, but have not yet been implemented. Recently, some national parks have made efforts to establish a more collaborative relationship with local people.

Meetings have been held with local community leaders to discuss issues, including the destruction of National Park property, woodcutting and grazing in the park, and possible benefits that local people might gain from the presence of the park.

The second department with responsibilities in ecosystem conservation is SFCDD. Its main task is the management of National Forest Protection Areas (NFPAs), which include the most important forest areas of Ethiopia. SFCDD has designated 57 NFPAs for forest production, protection, and biological conservation purposes. This category covers 4.8 million ha of Ethiopia, of which 2.8 million ha are estimated to be forests.

The third department concerned with ecosystem conservation is CFSCDD. Its primary responsibility is for soil and water conservation. However, hillside closure promoted by CFSCDD to allow natural vegetation regeneration has potential for restoration of ecosystems. Forestry and land conservation extension activities, which encourage the use of indigenous tree species, also play a role in the conservation of genetic resources. However, present conservation efforts promote exotic species much more vigorously than indigenous species.

Genetic Conservation. There is no administrative body charged with overall responsibility for conservation of Ethiopia's exceptional genetic diversity. The main institutions for the conservation of genetic resources in Ethiopia are the Plant Genetic Resource Center (PGRC) and the International Livestock Center for Africa (ILCA).

Established in 1976, PGRC has collaborative ties with a large number of international bodies. its primary task is the *ex situ* conservation of important crops indigenous to or widely grown in Ethiopia. PGRC is also involved in limited *in situ* conservation of crops and in *ex situ* conservation of non-crop species of potential economic importance. Holdings comprise about 48,000 specimens of 98 species. Almost three-quarters of these are of cereals, 11 percent each of oilseeds and legumes, 2 percent each of spices and coffee, and less than 1 percent medicinals. Collecting expeditions systematically cover agro-ecological zones and crop types. Seed variability and viability is maintained through regeneration of material at ecologically appropriate locations. Germplasm is evaluated with respect to genetic characteristics of potential adaptive significance for Ethiopian conditions. Thus, traits resistant to drought, pests and disease, and those adapted to low-input farming conditions are sought. PCRGC is a strong advocate of on-farm conservation of crop landraces and of farmers carrying out genetic selection experiments to meet their own needs.

ILCA also maintains a gene bank in its headquarters in Addis Ababa. ILCA's ultimate objective is to develop improved forage grasses and legumes for Africa. Collecting missions in Ethiopia have covered 39 genera of legumes and grasses. Germplasm multiplication and evaluation is carried out in a range of environments in Ethiopia. Promising results have been obtained for a variety of species in different environments, although the work remains experimental. Future collection priorities include ecotypes with high yield, good nitrogen-fixing capacity (in legumes), and vigorous growth in low rainfall areas.

The United Nations Sudano-Sahelian Office (UNSO) supports a five-year National Seed Procurement and Tree Improvement Programme. One of its aims is to identify, protect, and conserve existing, well-adapted tree seed sources of high priority indigenous and exotic species. This is to be achieved by *in situ* or *ex situ* conservation of seed sources of indigenous priority species currently threatened with genetic erosion or extinction. The program intends to strengthen the national seed center at the Forestry Research Centre (FRC) and to establish additional regional seed centres.

The Current Situation

Ethiopia remains one of the most densely populated countries in Africa and has one of the highest population growth rates. Close to 85% of the population is engaged in subsistence agriculture and/or livestock activities. Large sections of the country are chronically food deficit due to recurring drought, possible climate change and rampant land degradation. In many parts of the country, the average farm size can no longer provide enough food for a growing family. Plots cannot be further divided, acquisition of new land is not an option (as land tenure is an issue) and technologies suitable for marginal land are unavailable or too costly for many subsistence farmers. This situation is forcing adult children to seek their fortunes elsewhere. Migrations to state farms, cities and towns or uncultivated land are the only alternatives. Thus, population density, inefficient and inappropriate use of the natural resource base and slow economic growth are seemingly overwhelming problems impacting on the conservation of Ethiopia's tropical forests and biological diversity.

The Government's National Food Security Policy, recognizing this dilemma, advocates support for increasing off-farm activities, wage employment and improved land use and production technologies. The former two could be spurred by significant external investment in developing Ethiopia's most abundant resource, water (electrical power and irrigation), but this must await developments of the Nile Basin Initiative. The latter and other modest forms of economic growth activities are the thrust of many donors, including USAID/ Ethiopia's RHPP SO. The basic approach used by most donors, NGOs and the government for solving food insecurity problems, however, remains focused on maximizing agricultural production wherever possible or food/wages for work activities aimed at degradation rehabilitation. By not having an equal focus on economic growth and sustainable alternative income generation that could stop expansion, tropical forests and biological diversity will continue to be lost.

There is much documentation that recounts alarming rates of depletion and destruction of natural resources and biological diversity, and predicts more serious consequences. To remedy the situation, most call for policy reform, operational budgetary support for government agencies and large contributions for conservation and rehabilitation activities. **Though much money has been, and continues to be allocated to this sector over the years, improvements are not clearly evident as a result of this top down approach.**

Building on a Solution

A recent assessment of watershed management proposals commissioned by USAID/Ethiopia, earlier this year in preparation for its RHPP SOAG, pointed to two essential elements for successful conservation and rehabilitation activities that did not appear (bottom up approach to development and conservation and a truly integrated WSM). It stated that:

“...the Amhara Regional Bureau of Agriculture’s ANRS/BoA) Watershed Management Planning Team (WMPT) is to be commended for assembling a multi-disciplinary team and making a sincere and serious effort to diagnose the problems and opportunities and suggest solutions. They have done so without a great deal of training in the watershed management and, not surprisingly, they could have benefited from more guidance and technical assistance.”

However,

“Two important concepts must come together for successful integrated watershed management which involves densely populated and degraded areas such as those in the food insecure *woredas* of the Amhara Region. The present Project Proposals are mainly cast in terms of "interventions"-- doing something affirmative and action-oriented to respond to the readily perceived signs of degradation. One cannot emphasize enough the reality that "degradation is the result of **inappropriate land-use and that there is a need to manage the use and not just treat the land affected**" (Catterson et al, 1994). Although the ANRS/BoA WMPT certainly understands this foundation principle, a number of their proposed interventions need to be reconsidered in its light. The Lenche Dima site [one of four water sheds that the RHPP SO will establish a comprehensive land use management working research station] provides two examples. Deep and spreading gullies forming across the plain areas of the watershed are eating into this most productive area. The proposed solution (albeit presumably but not specifically combined with other activities) is to construct gabion structures as retaining walls to prevent further loss of valuable cropland. Until and unless the torrential nature of these watercourses is resolved--by dealing with the issues on the surrounding slope areas where water originates and gains velocity--such "river training" will be ineffective. In fact, it is probably likely to lead to further [and more extensive] damage. The rushing water will quickly undermine the gabions that will then fall into the watercourse, diverting the water and causing it to change course, eating away other valuable croplands. Similarly, the proposed 50% closure areas for each of the *Gotes* [smallest administrative unit] within the watershed will only intensify the over-grazing on the remaining lands and exacerbate the problem.”

“The solution, in both cases, must come through creating and motivating self-reliance and community institutions to broker the unavoidable production trade-offs that are so often the first real step towards resolving land-use issues. An

organized and empowered community, able to take collective decisions and hold their peers accountable for compliance, is the key element and one that "overshadows physical interventions and will outlast them" (Catterson et al, 1994)."

Another recent USAID study on NGO water and sanitation activities pointed out the critical relationship of **integrated** watershed management to small-scale irrigation and potable water development, and the need for community decision-making for insuring sustainability.

Three other recent USAID assessments (research, extension and micro enterprise/financial services development) unmistakably show the need for alternative income generation to supplement or replace on-farm activities.

The Agency commissioned draft report *The Basin – Environmental Transboundary Opportunities and Constraints Analysis*⁶ sums up the difficulty in dealing with environmental degradation by saying:

“ Without economic growth, population increases will exacerbate existing problems of poverty and food insecurity, underlying causes of watershed degradation, water pollution, and loss of biodiversity. Improved land and water management are essential for improving food security and alleviating poverty in the Basin. Conversely, alleviating poverty and improving food security are requisites for achieving sustainable development of land and water resources

Finally, the most compelling argument for a balanced development program comes from the Agriculture, Environment, Private Sector and BHR 2000 Conference where a major research paper was presented and discussed, which demonstrated that agricultural development can be successful, if development resources are focused on the most successful 1/3 of that population. In Ethiopia, it is implied that the other 2/3s (32 million) must leave their land and/or do something else. In the context of TFBD, income-generating activities must be developed to preclude the possibilities of their increasing herd sizes or illegally exploiting forests and fauna.

C. Mission analysis of actions necessary to conserve biological diversity and achieve conservation and sustainable management of Ethiopia's tropical forests.

Based on all the above discussion, the Mission has determined that the following actions are required for the conservation of TFBD.

- Effective Management of National Parks, Forests and Reserves (GTZ is providing training and developing community relationships).

⁶ Dated October 2000, Task Order No. 27, Contract No. PCE-I-00-96-00020-00

- Institutional and technical capacity development for conservation agencies, research departments and local NGO/PVOs in the areas of land use planning, integrated resources management and conflict resolution (the World Bank and Canadian International Development Agency are expected to carry some of these activities).
- The enactment of policies conducive to individual and common stewardship of natural resource (NR)/TFBD (land tenure, USAID);
- Promotion of environmental awareness and building community based resource management (USAID,GTZ).
- Increased access to family planning program services in rural areas (USAID).
- Promotion of non-farm, environmentally sustainable income generation activities (USAID and other donors will/are working in this area).

Successful implementation of the Nile Basin Initiative, and continued Mission attention to this Initiative, would greatly accelerate the economic and agricultural growth deemed necessary for TFBD management and conservation.

Due to the conflict in 1998-1999, most donor activity stopped or their scope and funding levels drastically reduced. GTZ was the exception. While resumption of activities is expected, not all donors have defined what they will be doing in this area. Much depends on finalization of the World Bank's Food Security SAP, which is expected to cover many of the activities identified in this section.

D. Actions proposed by the Mission to support the identified needs.

Due to resource constraints, USAID's main focus will be on research activities to develop sustainable watershed management techniques that can be replicated in the ANRS and other regions, thus contributing to TFBD management and conservation, and, Nile Basin Initiative goals and objectives. Elements that will support and enhance this comprehensive activity include:

- Institutional capacity development in the areas of land use management and integrated resources management based on community-based natural resource management (CBNRM) principles will be addressed in the RHPP SO.
- Resolution of land tenure issues has been delegated to the regions. The RHPP SO's watershed management field research will work with the ANRS to test forms of individual, common and state 'ownership' and their effects on long-term sustainability, which can lead to further policy dialog in the future. The same holds true for organized voluntary resettlement activities to reduce pressures on degraded areas;

- Environmental awareness programs, already funded under Title II activities and the DG SO's PACT NGO training activities, will also be integrated into the Education SO's BESO II activity, the Southern Tier SpO and the RHPP SO. Training modules are being prepared for widespread dissemination of these concepts;
- In conjunction with the above point, Title II partners will use environmental awareness programs and guidelines prepared by USAID when developing potable water delivery systems at the village level.
- RHPP will expand the agricultural extension/home service to include messages on family planning and HIV/AIDS.
- RHPP will complement other donor activities to increase alternative income generation.

The Mission will stay apace with NBI developments and assist the GFDRE when it can.